

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS REGULAR MEETING MINUTES #792
August 26, 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; Jesse McGraw, Operations Manager; Tom Campbell, Finance and Administration Manager; Brandon Burks, Operations Specialist III and Thomas Archer, District Counsel.

Others Present: Dave Brew, Emily Fralick, Fred Ilfeld, Katie Larissi, Jean Lange, Perri Runion, Peter Schweitzer and Jon Shanser.

President Cox asked Jon Shanser to lead the Pledge of Allegiance.

B. Community Informational Items.

B-1 Friends of Squaw Creek – none

B-2 Friends of Squaw Valley – none

B-3 Squaw Valley Municipal Advisory Committee (SVMAC) – Brian Sheehan said the next meeting is scheduled for September 4th at 6 P.M. in the District's community room.

B-4 Squaw Valley Mutual Water Company (SVMWC) –Mr. Burks, Operations Specialist III, said Well #2 motor and pump have been replaced. Mr. McGraw, Operations Manager, said there have been electrical problems with Well #1. Jon Shanser said the SVMWC Board of Directors election will be held this weekend.

B-5 Squaw Valley Ski Holdings – none

B-6 Squaw Valley Property Owners Association – none

B-7 Tahoe-Truckee Sanitation Agency – Dale Cox provided an update on the following items: Legacy Trail, Truckee River Interceptor Rehabilitation Project, *Village @ Squaw Valley* Project and Teichert Aggregates Soil Sampling Analyses.

B-8 Incorporate Olympic Valley – Fred Ilfeld said Placer County Local Area Formation Commission (LAFCO) approved a contract with Citygate for the comprehensive fiscal analysis in spite of the recommendation made by LAFCO alternate, Brian Sheehan.

Brian Sheehan discussed LAFCO's selection of Citygate and the potential conflict of interest discussed at the July District board meeting and at the August LAFCO meeting. The next LAFCO meeting is scheduled for September 10th at 2 P.M. at the Northstar Community Service District.

Fred Ilfeld reviewed the group's organizational structure which includes Incorporate Olympic Valley, a political action committee and subject to the Fair Political Practices Commission and Incorporate Olympic Valley Foundation which is a charitable non-profit.

C. Public Comment/Presentation.

Carl Gustafson said bear cubs are getting into the District's community dumpster site. Mr. Geary said staff are working with the sanitation company to address this and other issues.

D. Financial Consent Agenda Items.

Directors Poulsen and Sheehan met with staff on Monday, August 25, 2014 from approximately 4-5:30 P.M. to review items D-1 through D-13 as well as other finance related items on this agenda.

Director Poulsen said Mr. Campbell is updating financial reports and processes and the audit process is beginning with preparation of the annual financial statement by Gibson Accounting. McClintock Accountancy will be performing the audit.

Director Sheehan said all items appear to be in order.

Public Comment – none

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

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

E. Approve Minutes.

E-1 Minutes for July 29, 2014.

Director Wilcox referred to page #8, paragraph #7 and asked for the following revision: "Director Wilcox asked Mr. Williams to comment on the earlier consultant's opinion that Squaw Creek would dry up seven out of ten years, regardless of the amount of water pumped. Mr. Williams said the answer is "yes" with respect to the trapezoidal channel."

A motion to approve the minutes for July 29, 2014 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 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.

Water

Mr. Geary said the Water Supply Assessment (WSA) for the project was finalized at the Board's July 29, 2014 meeting and has since been submitted to Placer County for inclusion in the project's Environmental Impact Report (EIR). The WSA will include an amendment with additional water data for the last three years to improve the accuracy of the WSA. This is not required by law but will provide a more comprehensive assessment.

Public Comment

Dave Brew asked if snowmaking data will be included. Mr. Geary said this information will be included. Dave Brew said water demands during construction should also be included.

Peter Schweitzer commented on water demands for proposed developments that are not included in the WSA, even though Placer County is aware of the proposed developments. Mr. Archer said comments should be directed to Placer County as they are the lead agency with respect to the preparation of the Environmental Impact Report (EIR).

Fire / EMS

Mr. Geary said there is no new information to report since last month's Board Meeting.

Public Comment – none

Sewer

Mr. Geary said Farr West Engineering reviewed initial results of the hydraulic modeling of the District's sewer collection system. The results of the modeling will identify minimum line sizes of existing and new sewer mains required to serve the project.

Public Comment – none

F-2 Contract with PR Design & Engineering for Operations Department Spatial Needs Analysis.

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 and authorized staff to execute the contract with PR Design & Engineering.

Mr. Geary provided a review of the item. In September 2013, the Board approved a proposal from PR Design & Engineering, Inc., to provide support from a consultant with relevant experience and expertise 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 capital needs.

The Board approved the execution of a contract with PR Design & Engineering, Inc. based on

approval from SVRE to reimburse the District for the cost. Before this contract was executed, SVRE redesigned and reduced the size of the proposed project and suspended all ancillary analyses and associated expenditures until the revised Specific Plan was released in January, 2014. Now that the revised version of the proposed project has been released, it is timely to resume this work.

The revised proposal includes additional work which was not part of the original proposal. Accordingly the cost has increased to \$11,540 which is an increase of \$2,540 from the original proposal of \$9,000.

Public Comment – none

Directors Sheehan/Wilcox made a motion to approve the contract and authorized staff to execute the contract with PR Design & Engineering; vote was unanimous with the exception of Director Poulsen.

Cox-yes

Poulsen-absent

Gustafson-yes

Sheehan-yes

Wilcox-yes

F-3 Contract with Farr West Engineering for Water System Hydraulic Evaluation.

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 and authorized staff to execute a contract with Farr West Engineering.

Mr. Geary provided a review of the item. In 2012, the District's water system hydraulic model was updated by Farr West to include an accurate depiction of the existing infrastructure and water demands at that time. Farr West Engineering has prepared a scope of work to address the tasks necessary to perform the water system hydraulic analysis for an estimated fee not to exceed \$26,500. The District is in the process of negotiating a development agreement with Squaw Valley Real Estate (SVRE) and the results of this water system hydraulic evaluation will be used to support these negotiations as well as identify capital improvements necessary to serve existing customers as well as proposed development.

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

Public Comment – none

Directors Sheehan/Wilcox made a motion to approve the contract and authorized staff to execute the contract with Farr West Engineering; vote was unanimous with the exception of Director Poulsen.

Cox-yes

Poulsen-absent

Gustafson-yes
Sheehan-yes
Wilcox-yes

F-4 Drought Preparedness/Water Conservation.

Director Poulsen returned to the meeting room.

The Board reviewed the item, accepted public comment and declared Stage II water conditions in response to the adoption of Emergency Drought Regulations by the California State Water Resource Control Board (SWRCB).

Mr. McGraw and Mr. Burks provided a review of the item. The California Department of Water Resources approved an emergency regulation to ensure water conservation on July 29, 2014. The regulation requires water suppliers serving fewer than 3,000 customers implement water shortage contingency plans to a level that includes mandatory restrictions on outdoor water irrigation. Implementing Stage II of the District's Water Conservation Program will put the District in compliance with the new regulations.

Stage II of the code requires irrigation be restricted to three days per week, in addition to restrictions on filling swimming pools, the operation of ornamental fountains, a probation on new landscaping, watering of hardscapes, fire hydrant flushing, and lodging facilities. Implementation of Stage II conservation restriction will meet the intention of the mandatory regulation and shall become effective immediately upon posting notification in three locations, the District Office, the US Post Office, and the District web site and upon notification to the media.

Director Poulsen asked if these restrictions are being implemented because of the state mandate and how the restrictions will be enforced. Mr. McGraw said even though the District is not experiencing a water shortage, these restrictions are necessary due to the state mandate. As to enforcement, staff will continue to monitor and notify customers of leaks but do not plan to engage in additional monitoring activities.

Director Poulsen said many property owners are not full-time residents and rely upon contracted services such as landscapers who should be notified of the restrictions. Mr. McGraw said staff have been and will continue to make contact with service providers to inform them of the situation.

President Cox commented on public notification. Mr. Geary said individual notification is not planned but staff will post the restrictions in three locations as prescribed by the District's code and through the newspaper.

Directors Wilcox and Sheehan expressed support of the staff recommendation.

Director Gustafson asked about District efforts with system leaks. Mr. McGraw said a leak detection consultant is scheduled to inspect the District's system for leaks.

Public Comment –

Jon Shanser asked when the restrictions will become effective. Mr. Geary said upon Board approval, the restrictions will become effective.

Directors Sheehan/Wilcox made a motion to declare Stage II water conservation conditions in response to the adoption of Emergency Drought Regulations by the California State Water Resource Control Board (SWRCB) and directed staff to post the required notices; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F-5 Facility Lease Renewal for Squaw Valley Preparatory School.

The Board reviewed the item, accepted public comment, approved a lease renewal of space at 1810 Squaw Valley Road to the Squaw Valley Preparatory School and authorized staff to execute the agreement.

Mr. Geary provided a review of the item. This first addendum to the current lease is for the period between September 1, 2014 to August 31, 2015 and the terms remain the same at \$1,800.00 per month for rent, \$400.00 per month for utilities and utility-type services including, but not limited to, electricity, propane, water, sewer, and trash removal and \$50.00 per month for snow removal.

Public Comment – none

Directors Wilcox/Poulsen made a motion to approve the lease agreement and authorized staff to execute the agreement with Squaw Valley Preparatory School; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

F-6 Integrated Regional Water Management (IRWM) – Approval of Memorandum of Understanding (MOU) and Plan Adoption.

The Board reviewed the item, accepted public comment and approved Resolution 2014-19 to approve the MOU and adopt the IRWM plan.

Mr. McGraw provided a review of the item. By adopting Resolution 2014-19, the District will recognize the value of coordinating water management planning and implementation activities within the Tahoe region. Further the District will adopt the revised Tahoe Sierra IRWM Plan, will act to implement it to the best of the District's ability in compliance with

applicable legal requirements and will authorize execution of the Memorandum of Understanding (MOU).

The MOU facilitates implementation of the Tahoe Sierra IRWM plan; fosters a collaborative water management planning environment; promotes integration of water management across regional geographies; recommends priorities for project implementation; cooperatively applies for funding for implementation projects; and communicates the best available information to decision makers, stakeholders and the public.

Public Comment – none

Directors Sheehan/Wilcox made a motion to adopt Resolution 2014-19; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

G. Status Reports.

G-1 Fire Department Operations/Capital Projects Report.

In Chief Bansen's absence, Mr. Geary read a letter from Sean Bailey, Strike Team Leader expressing thanks and appreciation for the participation and outstanding performance of Chris Dedeo, Allen Riley and Jeff Geigle on the OES strike team.

Public Comment – none

G-2 Water & Sewer Operations Report.

Mr. McGraw provided a review of the report. Mr. McGraw also reviewed the S-turn emergency repair work which cost of \$58,900 for outside vendors and staff overtime. Mr. McGraw and the Board commended the Operations staff for their excellent work.

Director Poulsen commented on the Granite Chief sewer line project and ownership of lines. Mr. McGraw said the details of ownership, easements and dedication of lines will be addressed as the project progresses.

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.

Public Comment – none

G-5 Legal Report (verbal).

Mr. Archer made no comments.

Public Comment – none

G-6 Director's Comments.

Director Sheehan said at the July meeting Chief Bansen said he was notified that the District's public protection classification rating changed from a five to a two. This is very good news as it plays a role in the insurance underwriting. He suggested this information be included in the Winter newsletter.

Director Poulsen said homeowners insurance rates are impacted by this rating so the improved rating is significant.

President Cox said according to Placer County Elections Department, he and Director Sheehan are running unopposed for four-year terms on the Board.

H. Adjourn.

Directors Sheehan/Wilcox made a motion to adjourn at 10:15 A.M.; vote was unanimous.

Cox-yes

Poulsen-yes

Gustafson-yes

Sheehan-yes

Wilcox-yes

By, K. Obayashi-Bartsch