SQUAW VALLEY PUBLIC SERVICE DISTRICT BOARD OF DIRECTORS MEETING MINUTES #803 July 28, 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; Tom Campbell, Finance and Administration Manager and Thomas Archer, District Counsel

Others Present: Jeff Brown, Ed Heneveld, Chevis Hosea, Dave Hunt, Jeff Kraunz, Andrew Lange, Katie Lazarri, Andrea Parisi, Nicholas Saiad, Peter Schweitzer, Isaac Silverman, Dwight Smith, Chad Taylor, Paul Thompson and Derrick Williams.

President Cox asked Jeff Kraunz to lead the Pledge of Allegiance.

B. Community Informational Items.

- **B-1** Friends of Squaw Creek Ed Heneveld said there will be a watershed forum on August 24th at the Resort at Squaw Creek.
- **B-2** Friends of Squaw Valley no report
- **B-3** Squaw Valley Design Review Committee (SVDRC) no report
- **B-4** Squaw Valley Municipal Advisory Council (SVMAC) Brian Sheehan said the next meeting is on August 6th at 6 P.M. in the District's community room.
- **B-5** Squaw Valley Mutual Water Company (SVMWC) Brandon Burks provided an update on the installation of water meters and abandonment of old leaking water lines.
- **B-6** Squaw Valley Ski Holdings no report
- **B-7** Squaw Valley Property Owners Association no report
- **B-8** Tahoe-Truckee Sanitation Agency Dale Cox said LaRue Griffin is the new General Manager and is pleased with his performance. He reported on the agency's gravel mining contract with Teichert which has been mutually beneficial.
- **B-9** Incorporate Olympic Valley no report

C. Public Comment/Presentation.

Jeff Kraunz introduced himself and is the new Executive Director for Creekside School and Squaw Valley Preparatory School.

C-1 Recognition of Service – Sal Monforte – 20 years.

The Board thanked Sal Monforte for 20 years of dedicated and distinguished service with the Squaw Valley Public Service District. Chief Bansen accepted the award on his behalf.

Public Comment – none

D. Financial Consent Agenda Items.

Directors Poulsen and Sheehan met with staff on July 27th from approximately 3:30 –5:20 P.M. to review items D-1 through D-16 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. It is likely that the District need to replace fire vehicles in the next year and is included in the capital budget.

Director Poulsen said the committee also reviewed the audit schedule with Gibson Accounting and McClintock Accounting.

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 June 30, 2015

A motion to approve the minutes for the Board of Directors meeting of June 30, 2015 as presented was made by Directors Poulsen/Sheehan; vote was unanimous.

Cox-yes

Gustafson-ves

Poulsen-yes

Sheehan-ves

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 summer to be complete by the end of the year.

Placer County released and distributed the draft Environmental Impact Report (dEIR) on May 15, 2015 and an updated version of the Village at Squaw Valley Specific Plan, dated April, 2015

is also available. District staff reviewed both documents and submitted comments to the County for their consideration and response in the Final EIR.

<u>Water</u>

The amendment to the WSA is scheduled to be presented to the Board following this agenda item.

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 -

Ed Heneveld commented on the District's involvement in the formation of a local groundwater sustainability agency. He said the west valley fire station is not identified in the dEIR. Mr. Geary said the EIR is programmatic so a specific location may not be required at this time.

Isaac Silverman commended the agency for their dEIR comments.

Chevis Hosea said Squaw Valley Real Estate is willing to pay only its fair share of the proposed west valley substation.

F-2 Water Supply Assessment 2015 Update – Village at Squaw Valley Specific Plan.

Mr. Archer said Director Poulsen will remain out of the room and is recused from participation as a Board member due to a conflict from an ownership interest in real property and as an owner of a local business.

The Board reviewed the item, accepted public comment and accepted the final report.

Mr. Geary and Mr. Hunt reviewed the item with a presentation (see attachment A). The updated WSA was prepared to include recent hydrologic and water use data into the analyses of water supply sufficiency that were not available at the time the previous version of the WSA was prepared. Specifically, precipitation, streamflow, water production and use, and groundwater elevation data for the period from 2012 through January 2015 were analyzed to update the analyses used in the WSA. In addition more recent occupancy rate information was used in the estimation of future water demands.

Mr. Taylor reviewed water supply availability. The report and model uses data based on a water year (October 1 – September 30) rather than a calendar year which provides a more accurate reflection of water activity.

Mr. Williams reviewed the sufficiency of water supply using the water model. Minor adjustments such as rainfall recharge for all months and years were made but it was unnecessary to recalibrate the model.

Mr. Smith provided an independent third party peer review of the WSA. He said after reviewing the draft documents for sufficiency of supply and the numerical groundwater model, he submitted suggestions and comments to Farr West Engineering and that they were effectively addressed in the final version of the WSA 2015 Update. He said the initial WSA completed in 2014 and the 2015 Update are very similar. The WSA meets the standard of care for SB610 analysis and demonstrates sufficiency of supply.

Director Wilcox asked the consulting team to comment on the comments made by Sierra Watch's consultant, Tom Meyers who asserts there are flaws in the WSA.

Mr. Smith said the science by necessity requires a lot of assumptions to be made and assumptions and models always are subject to criticism. The WSA is a solid and credible piece of work and honors the data. It provides the District with the best available tools, technology and science that can be put at this issue. Mr. Smith said he read Mr. Meyers comments and saw nothing of concern.

Director Wilcox said an error on the upper mountain precipitation data was brought forth as a significant issue. Mr. Smith said the upper mountain precipitation data was incorrect but the data was not used in the model. It was a graph presentation error. Mr. Smith said Mr. Meyers claims that too much recharge is implied in the model but that he disagrees with this opinion.

Director Sheehan expressed satisfaction with the process used to develop the report.

Director Wilcox asked Mr. Williams to comment on the GANDA streamflow report. Mr. Williams said he has not reviewed the report.

Mr. Taylor said his company worked with GANDA to develop data to evaluate impacts to Squaw Creek. There is no standard measure as to what qualifies as an impact to Squaw Creek. GANDA used results from the model to predict changes in streamflow in future scenarios as compared to baseline conditions, although the model does not very accurately address stream or surface flows. Model output was used to assess streamflow by reach in the Creek, and changes were shown to be small. The largest changes in volume were during peak flow times. GANDA developed standard criteria for evaluating drying in specific refugia pool locations. They were looking for changes in future conditions in these areas in terms of groundwater levels as compared to baseline conditions, in addition to the stream flow comparisons.

Mr. Williams said the model is not calibrated or designed for streamflow impacts.

Director Gustafson said a simpler approach will be to manage well field pumping to maintain minimum creek flow. He commented on the importance of maintaining a sustainable yield.

President Cox said the WSA report addresses availability of water in the aquifer for development and future growth.

Mr. Archer summarized the dEIR process including Placer County's role in reviewing comments and their review of the WSA.

Public Comment -

Ed Heneveld said he feels that the groundwater model is a projection that still cannot answer all the questions as the GANDA report brings forth uncertainties regarding biotic effects. The groundwater model is a tool but has limitations. In the District's Development Agreement with Squaw Valley Real Estate there should be defined thresholds to limit pumping as needed to protect the environment and the aquifer. These thresholds should be closely monitored with sustained funding and oversight by the county, similar to the Technical Review Committee for the Resort at Squaw Creek's golf course chemical application.

Peter Schweitzer asked if 75% percent of saturated thickness in the aquifer were used as the pumping criterion instead of 65%, would the 2040 pumping scenario remain above this threshold; would the supply still be sufficient? Mr. Taylor said that there would be sufficient supply if 75% saturated thickness were used as the assessment's criteria.

Isaac Silverman commented on the lack of a connection between snowfall and the groundwater model. He said the WSA does not adequately address climate change and needs to be revisited. Another area that was not addressed is the regulatory and legal structures surrounding groundwater extraction; the legal right to take water.

Ed Heneveld asked about recharge in the model. Mr. Williams said the model does account for snowfall and the model considers precipitation measured on the valley floor to estimate aquifer recharge.

F-3 Aspens Sewer Easement Quitclaim.

Director Poulsen returned to the meeting room.

The Board reviewed the item, accepted public comment and adopted Resolution 2015-13, authorizing the execution of two Quitclaim Deeds and abandoning two sewer line easements.

Mr. McGraw reviewed the item.

Public Comment -

Nicholas Saiad asked when the paving will be complete. Mr. McGraw said he will coordinate completion of the paving with the contractor.

Directors Gustafson/Poulsen made a motion to adopt Resolution 2015-13, authorizing the execution of two Quitclaim Deeds and abandoning two sewer easements; vote was unanimous.

Cox-yes

Gustafson-yes

Poulsen-yes

Sheehan-yes

Wilcox-yes

F-4 Rate Study & Cost of Service Analyses – HDR Consulting.

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

Mr. Campbell reviewed the item.

Directors Sheehan, Wilcox and Poulsen expressed support for the project and the increased scope and cost.

Public Comment - none

Directors Sheehan/Poulsen made a motion to approve the project proposal and authorize the General Manager to execute a professional services agreement with HDR Consulting based on the proposal for an amount not to exceed \$50,000; vote was unanimous.

Cox-yes

Gustafson-no

Poulsen-ves

Sheehan-yes

Wilcox-ves

F-5 Employee Safety Incentive Program.

The Board reviewed the item, accepted public comment and approved the Employee Safety Incentive Program.

Mr. Campbell reviewed the item.

Director Wilcox said he and President Cox as members of the Personnel Committee reviewed the item with staff and recommend approval of the program.

Director Sheehan said he and Director Poulsen as members of the Finance Committee reviewed the item with staff and recommend approval of the program.

Directors Gustafson also expressed support for the program.

Public Comment - none

Directors Gustafson/Wilcox made a motion to approve the employee safety program; 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.

Public Comment –

Andrew Lange asked for the best way to track wild fires. Chief Bansen recommended checking yubanet.com, inciweb.gov and the CalFire website.

G-2 Water & Sewer Operations Report.

Mr. McGraw reviewed the report. Staff will be meeting with the water and sewer committee regarding the Granite Chief sewer line project.

Public Comment – none

G-3 Administration Report.

Mr. Campbell reviewed the report. Staff will perform additional research before sponsoring the Sierra Watershed Education Partnerships film festival with the theme of "WATER!, The Essential".

Public Comment – none

G-4 Manager's Comments.

Mr. Geary said he has been working on several projects in addition to the dEIR and WSA for the Village at Squaw Valley Specific Plan. Other projects include the Resort @ Squaw Creek Phase II, Carville property proposal, PlumpJack Renovation and the Palisades at Squaw. The Squaw Valley Preparatory School notified staff that they will not renew the lease at the 1810 facility (upstairs at old firehouse), so staff will be seeking a new tenant.

Public Comment - none

G-5 Legal Report (verbal).

Mr. Archer said the HDR Rate Study will help to verify cost of service and District rates. He commented on the changing state mandates related to water use.

Public Comment – none

G-6 Director's Comments.

Director Sheehan expressed concern about the sewage equalization basin proposed in the dEIR being placed over the aquifer as it poses a risk of contamination to the water supply.

Director Wilcox commented on Sierra Watch's inaccurate comments about the District such as tying the Village Project to the Redundant Water Supply project.

President Cox commented on the need for grounds improvements at the District's facilities, in particular the 1810 Squaw Valley Road facility. He thanked staff for the improvements made so

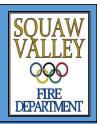
far including crack sealing and sealing the parking lot, painting, and landscape maintenance. He discussed the possibility of using artificial turf for that area and other landscaping improvements and asked to have this item on next month's Board meeting for continued discussion.

H. Adjourn.

Directors Wilcox/Poulsen made a motion to adjourn at 11:55 A.M.; vote was unanimous. Cox-yes
Poulsen-yes
Gustafson-yes
Sheehan-yes
Wilcox-yes

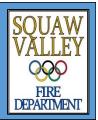
By, K. Obayashi-Bartsch





Water Supply **Assessment** 2015 Update Village at July 28, Squaw Valley 2015 Specific Plan





County Water District 1964

Service Area – 15 mi²

Annual Budget - \$5M

Population 1,000-25,000

750 Services

Residential, business, lodging, schools, ski resort, churches & mixed-use village

Existing PSD Water Production
450 AFA

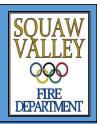
Olympic Valley Total

PSD, MWC, Snowmaking, GC Irrigation

Average - 850 AFA

Maximum - 1,000 AFA





Village at Squaw Valley Project Requires a WSA

Project subject to CEQA?

Yes

EIR

Project propose 500 or more units?

Yes

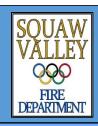
900 units

Project propose water demand more than 10% of existing?

Yes

28% more





WSA Roles & Responsibilities

Placer County – Lead Agency
Considers Adequacy of Water Supply
Authorized to Approve WSA & EIR





Squaw Valley PSD

Prepared WSA

Water Service Provider

Farr West Engineering

Project Team Lead Engineering Consultant



Hydrologs Hydropolog od Not Teores Ca

InterFlow Hydrology

3rd Party Independent

Peer Review

HydroMetrics, WRI

Hydrogeologist Sub-Consultant



Todd Groundwater

Hydrogeologist Sub-Consultant





WSA Milestones

Nov. 2012 Start Jan. 2013 Farr West

Contract

InterFlow Hydrology Contract

> 3rd Party Independent Peer Review

Nov. 2013 Creek /

Aquifer
Interaction
Study
Groundwater
Model
Updates

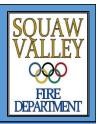
Jan. 2014

Village at Squaw Valley Project Revision Feb. 2014

Placer County Considers Adequacy of Water Supply & Approves WSA

June 2014 Draft WSA July 2014 Final WSA



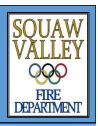


WSA Organization

Water Demands Water Supply Sufficiency of Supply

Comparison of Supply vs.
Demand





Four Main Groundwater Pumpers in Basin



Squaw Valley Public Service District



Squaw Valley Mutual Water Company



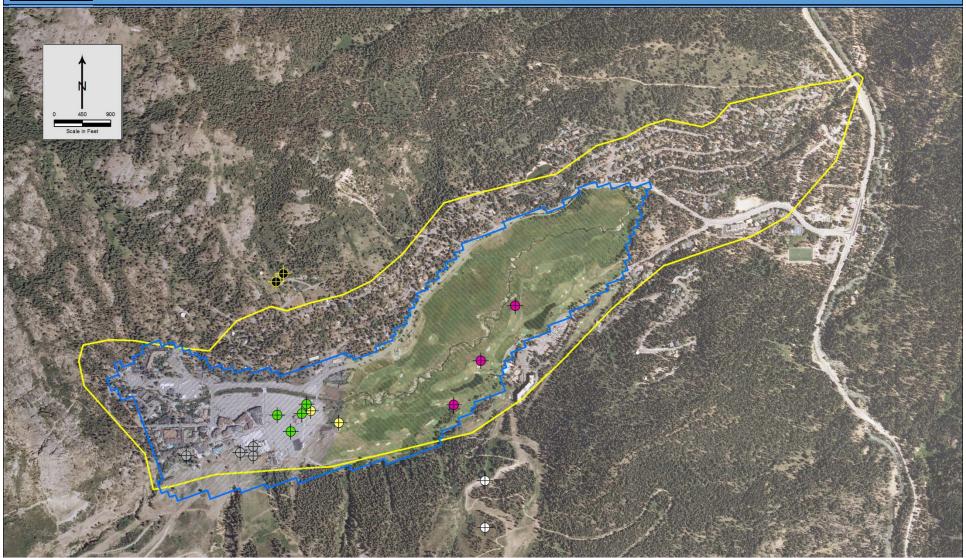
Resort at Squaw Creek



Squaw Valley Resort











WSA Water Demands

Existing

Historical Water Use

Village at Squaw Valley Project

Specific Plan
Project
Description

Future (25 yrs.) Non-Project

> Placer County Development Projections





Existing Water Demand Data

SVPSD and SVMWC

• 2000-2014 production records

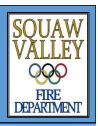
RSC

- Irrigation— 1992-2004, 2007 and 2012-2014
- Snowmaking 1992-2014

SVR

• Snowmaking – 2011-2014





Methods to Estimate Water Demand

Water Demand Factors

- 550 gpd/connection Single Family
- 100 gpd/capita Resort/Condo/Hotel
- 0.24 gpd/square foot Commercial

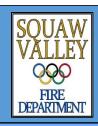
Occupancy Rates

• FY 2008-2014 Average of Village at Squaw Valley and other Valley Properties

Unbilled Water

• 11.1% of Water Produced





Project Water Demands

Water Demands

MacKay & Somps reviewed by SVPSD

Unit Demands Used

SVPSD Standards & Historical Data

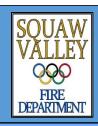
Types of Water Demand

- Managed and Unmanaged Lodging Units
- Employee Housing
- Commercial and Amenities
- Irrigation

Total Estimated Project Water Demand at 2040

• 240 AFY





Non-Project Growth

A second Devices						
Approved Projects						
	Units	Bedrooms	Commercial sq. ft.			
RSC Phase 2	441 condo units	464 bedrooms				
Olympic Estates	16 residential units	64 bedrooms				
Foreseeable Projects						
	Units	Bedrooms	Commercial sq. ft.			
Squaw Valley Ranch Estates	8 residential units	40 bedrooms				
Mancuso	4 residential units	20 bedrooms				
PlumpJack Redevelopment		104 net hotel rooms/condo	10,000 sq. ft. net new			
		bedrooms	commercial			
Olympic Valley Museum			14,500			
Forecast Development						
	Units	Bedrooms	Commercial sq. ft.			
SFR (SVPSD)	66	264				
SFR (SVMWC)	15	60				
Resort/hotel/condo units	34	52				
General Commercial			56,000			
Total Development Outside the Project Boundary						
	569 units	1,008 bedrooms	80,500 sq. ft.			

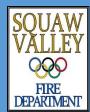


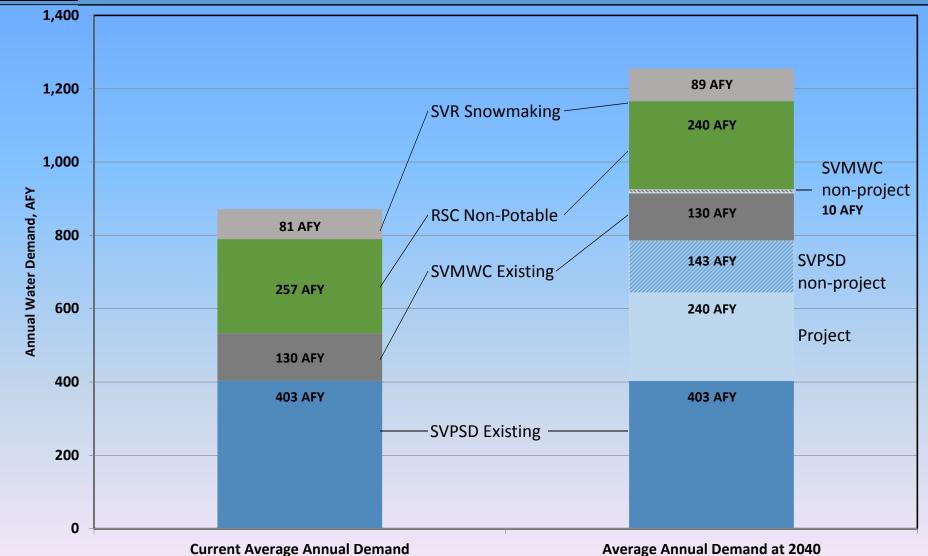


Water Demands

Supplier / Use		Required Production (AFA)	
		2015 Update	2014 Original
SVPSD (a)		786	777
SVMWC (b)		140	142
Resort at Squaw Creek			
Golf Course Irrigation (c)		145	145
Snowmaking (d)		94	69
Squaw Valley Resort Snow Making (e)		89	71
Total Production Requirement		1,254	1,205
Historic Horizontal Well Production			
SVPSD (f)		26	27
SVMWC (f)		42	43
-Main Well Field Total Production Requirement		1,186	1,136







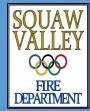


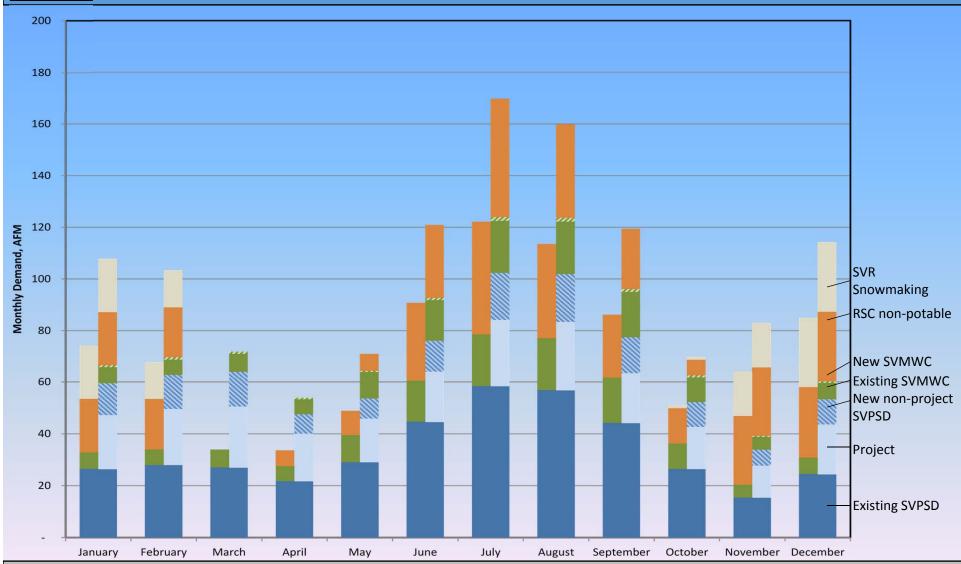


Occupancy

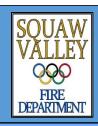
Occupancy Rate (%) (a)				
Month	Total			
	2015 Update	2014 Original		
January	63%	59%		
February	74%	72%		
March	73%	70%		
April	49%	51%		
May	35%	37%		
June	52%	42%		
July	72%	85%		
August	77%	68%		
September	54%	46%		
October	42%	43%		
November	28%	26%		
December	57%	63%		











Water Supply

Two Sources of Supply Used in Squaw Valley

- Olympic Valley Groundwater Basin
- Fractured Bedrock

Olympic Valley Groundwater Basin – Majority Source

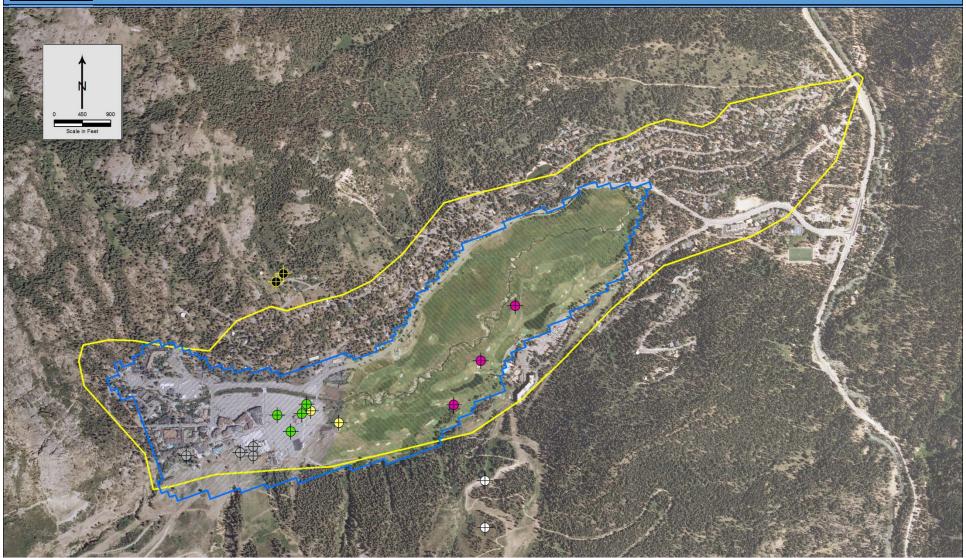
- Alluvial Aquifer on the Olympic Valley Floor
- More Productive with Better Water Quality Western Portion of the Valley
- Recharged Primarily from Precipitation & Snowmelt On and Near the Valley Floor
- Variable Discharge/Recharge Relationship with Squaw Creek
- Very Dynamic Fills Up Quickly When Recharge is Available
- Has Historically Filled Every Year

Fractured Bedrock Groundwater

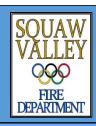
• Use in the Valley Limited to Four Horizontal Wells

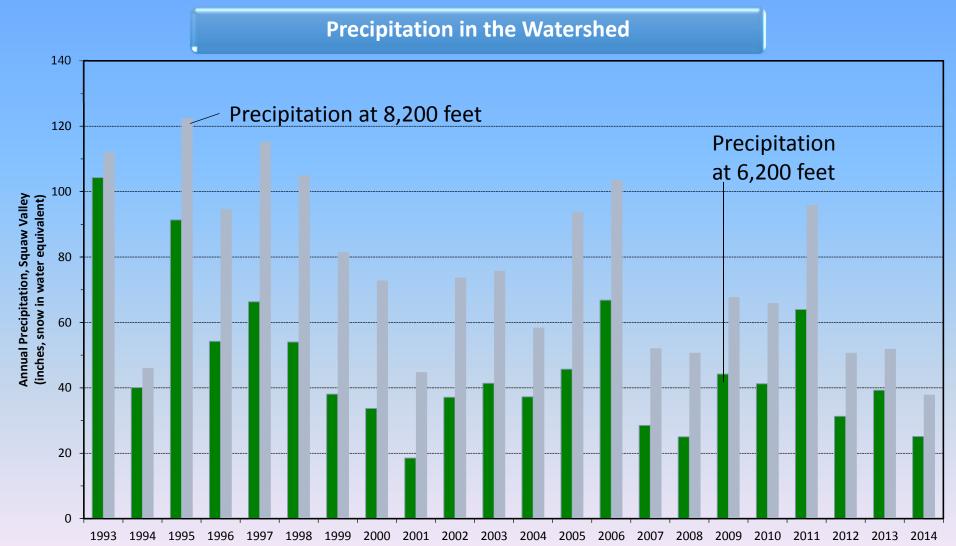




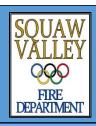




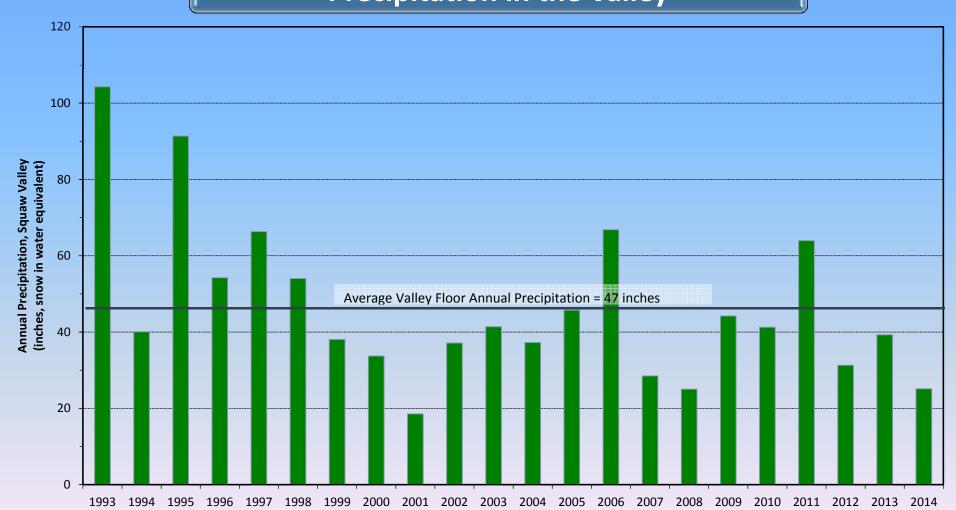




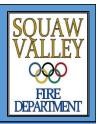












Olympic Valley Basin Inflows and Outflows

Major Inflows:

- Deep Percolation Infiltration of Rain & Snowmelt
- Surface Water Infiltration Flow to Basin Groundwater from the Creek

Major Outflows:

- Pumping Water Production from Wells
- Discharge to Surface Water Flow from Basin Groundwater to the Creek





Response to Variation in Inflow / Outflow

Olympic Valley Groundwater Basin is a Small Aquifer There is Much More

Potential Recharge Than

There is Available

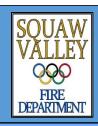
Storage Capacity or

Demand

The Result is a Large
Amount of *Rejected Recharge* Flowing
Through the Valley Every
Year

Increased Basin
Groundwater Use in the
Winter & Spring Months,
Increases Total Annual
Recharge Volume





Water Supply Availability

No Pre-existing Water Supply Availability Analysis Applicable to this WSA

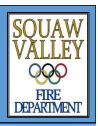
The Basin is Very Dynamic

- Fast Response to Available Recharge
- Corollary Relationship Between Pumping And Recharge
- Re-fills Every Year, No Annual Change in Storage

Assessing Maximum Availability Impossible

• Changes in Timing of Pumping Changes the Volume of Recharge





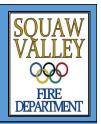
Is There Adequate Supply to Meet Existing & Planned Future Demands?

Normal Years

Single Dry Year

Multiple Dry Years



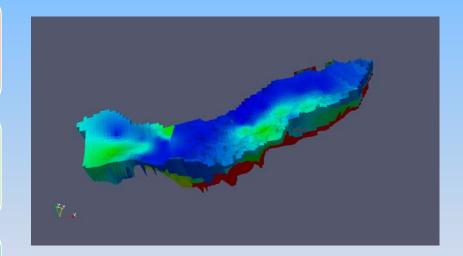


Supply Sufficiency Assessed with the Olympic Valley Groundwater Model

Accurately Simulates Aquifer Pumping

Incorporates Droughts

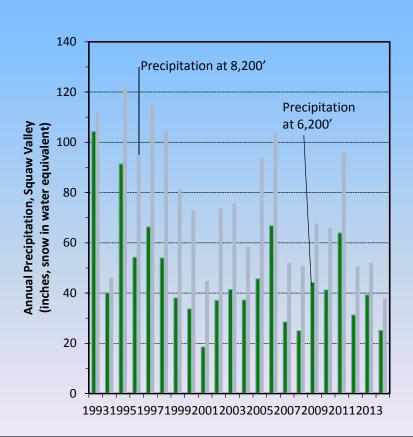
Best Available Tool







Recent Model Modifications



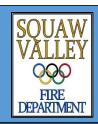
Pumping & Aquifer Level Data Updated through January 2015 to assess impacts of current drought

Check that model remains accurate Recalibrate if necessary

Streamflow data correction – 2012-2014
Streamflow data offset in WSA simulations

Now based on water years

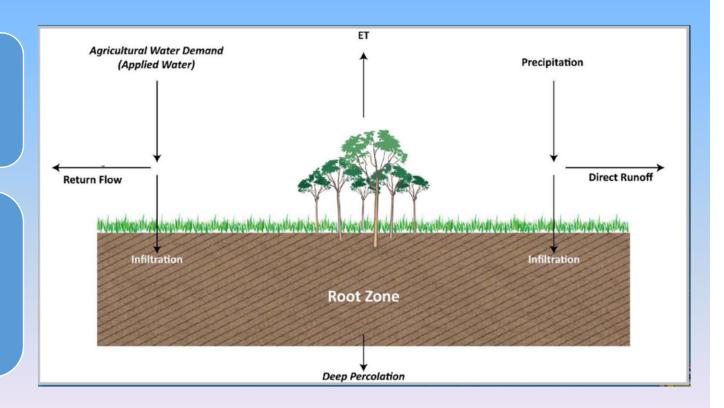




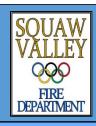
Model Updates

No calibration was necessary.

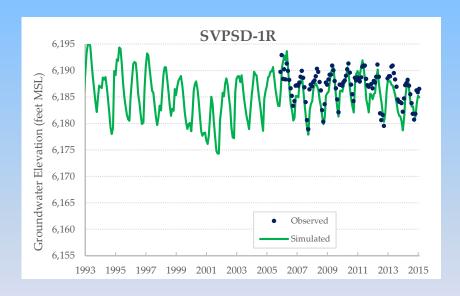
Minor change to rainfall recharge applied to all months and all years.

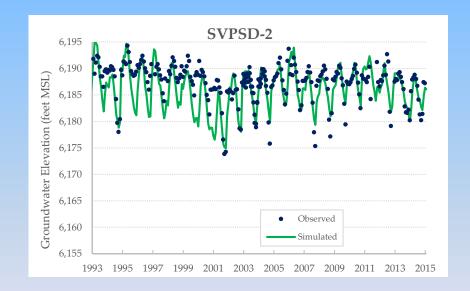




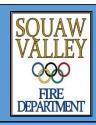


Example Model Results

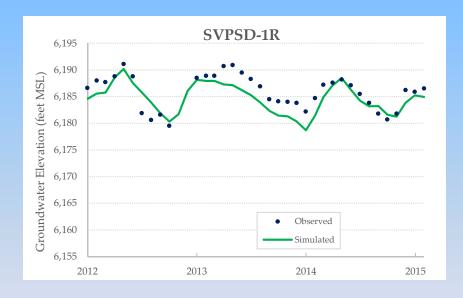


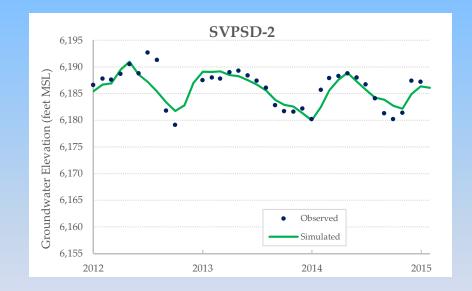




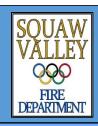


Example Model Results









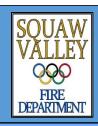
Model Update Conclusions

Modifications address issues identified by Dwight Smith

Extending the model resulted in insignificant changes to model results

Model continues to accurately simulate groundwater conditions in Olympic Valley



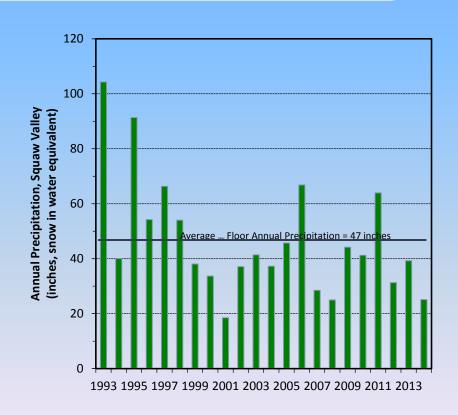


Sufficiency of Supply Assumptions

Pumping Demand Set to 2040 Levels For Entire Model Period

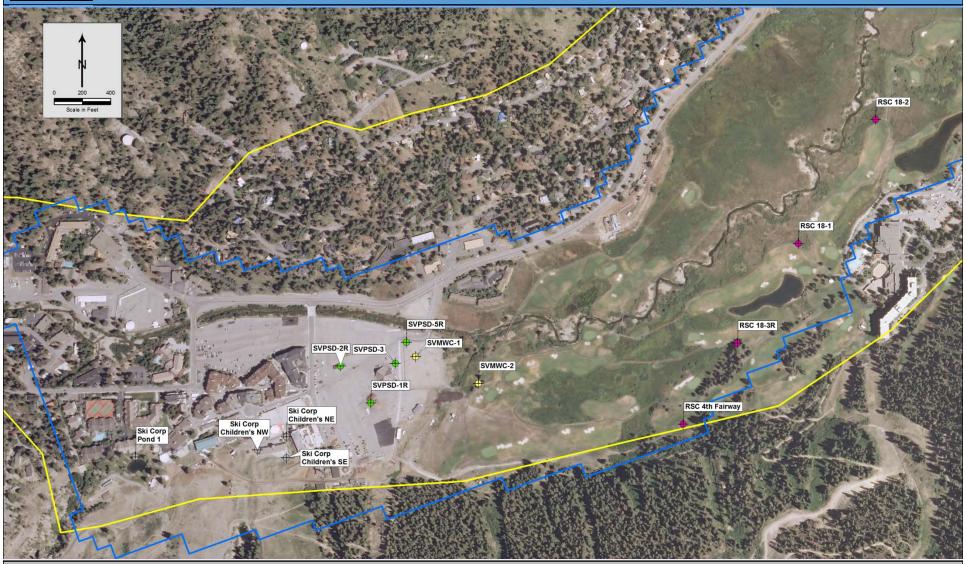
Simulates WY's 1993 to 2014 Rainfall / Recharge

Single driest WY 2001 Multiple dry WY's 2000 - 2002

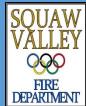


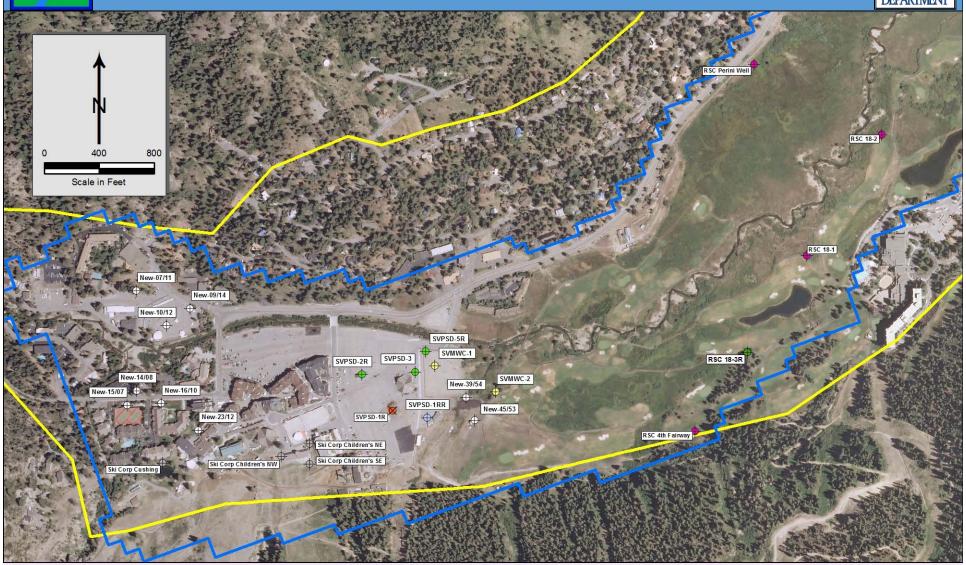




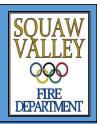




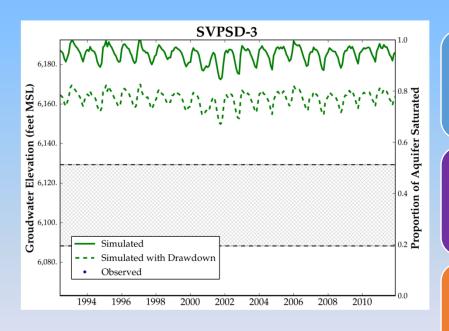








Pumping Criteria for New Wells

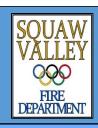


Based on Historical Groundwater Levels

Consistent with Published Documents & Guidelines

Accounts for Operational Concerns



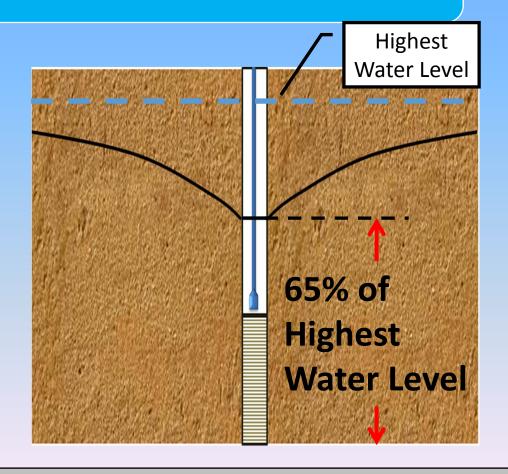


Pumping Criterion for New Wells

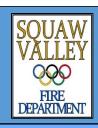
On Average, 65% of the aquifer must remain saturated in the western portion of the aquifer

- A Holistic Criterion
 Applied to the Productive

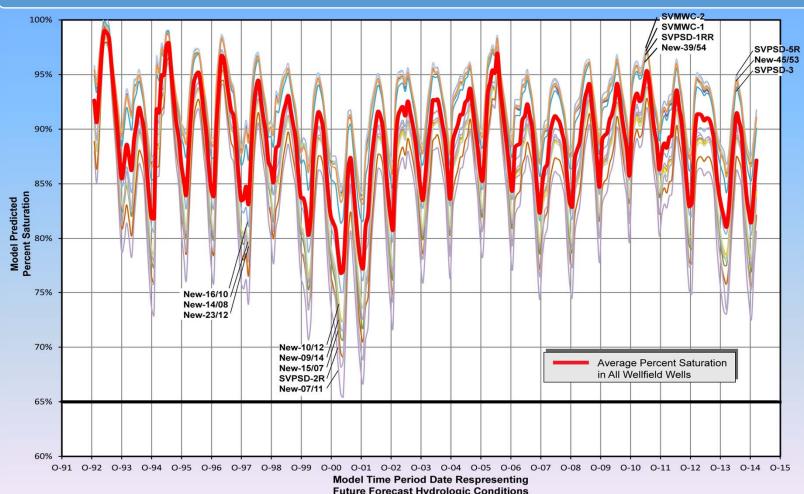
 Part of the Aquifer
- Allows Operational Flexibility to Minimize Impacts





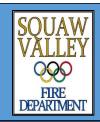


Percent Saturation – All Wells – 2040



Future Forecast Hydrologic Conditions







Independent 3rd Party Peer Review by InterFlow Hydrology

Review Background Information

Review Draft WSA Document and Supporting Evaluations

- Sufficiency of Supply
- Numerical Groundwater Flow Model

Does the WSA meet the professional standard of care / industry standards, and requirements of SB610

Is the conclusion reasonable, defensible and objectively derived







Placer County

Next Steps



Squaw Valley PSD

Development Agreement



EIR Comments



Water Supply Verification (SB 221)



Review Projects' Plans & Specifications



Dedication of Wells, Lines, Tank(s)



Issue Water Permits

Draft EIR



Public Review Period 30-60 days



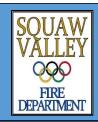
Final EIR



Placer County Board of Supervisors

• Consideration of Approval of EIR





WSA Presentations



Placer County Water Agency

• Thursday, July 17, 2014 at 2:00 p.m.



Placer County Board of Supervisors

• Tuesday, July 22, 2014 at the Resort at Squaw Creek (tentative)



Squaw Valley Public Service District

• Tuesday, July 29, 2014 at 8:30 a.m.



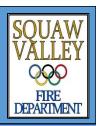
Squaw Valley Municipal Advisory Council (MAC)

• Thursday, August 7, 2014 at 6:00 p.m.



Information - www.svpsd.org





Questions / Comments

