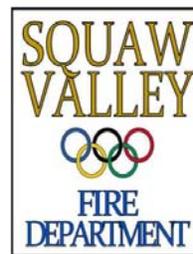




SQUAW VALLEY PUBLIC SERVICE DISTRICT



VILLAGE AT SQUAW VALLEY PROJECT

DATE: July 28, 2015

TO: District Board Members

FROM: Mike Geary, General Manager

SUBJECT: *Village at Squaw Valley* - Project Update & Status – Informational Only

BACKGROUND: The discussion section below provides information on the *Village at Squaw* Project. It is included in the District's monthly agenda to allow discussion of the project without violating the Brown Act's requirement that there be no discussion undertaken on any item not on the agenda. This report is prepared to provide new information and recent progress on issues that are not the subject of a separate report. This item is informational only and there is no action requested of the Board.

Negotiations of a Development Agreement between the District (staff, consultants and counsel) and SVRE restarted in January 2015 and are expected to restart this summer.

Placer County released and distributed the Draft Environmental Impact Report (EIR) on May 15, 2015 and an updated version of the Village at Squaw Valley Specific Plan, dated April, 2015 is now available as well. District staff reviewed both documents and submitted comments to the County for their consideration and response in the Final EIR, attached.

DISCUSSION: Water
The amendment to the WSA is complete and is on this month's agenda for the Board's review.

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

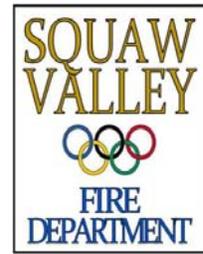
Fire / EMS
There is no new information to report since last month's Board Meeting.

ATTACHMENTS: Comments on Draft EIR - Village at Squaw Valley Specific Plan.

DATE PREPARED: July 22, 2015



SQUAW VALLEY PUBLIC SERVICE DISTRICT



July 17, 2015

Placer County Community Development Resource Agency
Environmental Coordination Services
attn: Maywan Krach, Community Development Technician
3091 County Center Drive, Suite 190
Auburn, CA 95603

RE: Comments on Draft EIR - Village at Squaw Valley Specific Plan

Dear Maywan,

The Squaw Valley Public Service District (PSD or District) received the *Notice of Availability of a Draft EIR for Public Review* on May 18, 2015 and reviewed the *Draft Environmental Impact Report for the Proposed Village at Squaw Valley Specific Plan* (State Clearinghouse #2012102023). Thank you for the opportunity to comment on the proposed project's environmental impacts.

As you know, the District provides fire protection and emergency medical services (EMS), water, sewer collection, and garbage collection services for the community in Olympic Valley and along the Truckee River corridor. We also perform snow removal on public bike trails in the valley. The PSD has been requested by the project applicant to provide services to the proposed project.

Staff and consultants of the PSD have been working with the project applicant, Squaw Valley Real Estate (SVRE), since early 2011 to assess impacts from the proposed project on the District's levels of service, its infrastructure and facilities, staffing, as well as impacts to the natural environment – most notably the valley's aquifer relied upon by the community for its primary and only source of domestic water supply. In addition to many in-house evaluations of the proposed project's impacts to the District's services, the following impact analyses were completed by the PSD with professional consultant support:

- Village at Squaw Valley Water Supply Assessment – June, 2014
- Assessment of Project Impacts and Appropriate Fire Service Mitigations for the Proposed Village at Squaw Project – September, 2014

- Spatial Needs Assessment Operations Department Squaw Valley PSD – December, 2014
- Squaw Valley PSD VSVSP Water System Capacity Analysis – January, 2015
- Squaw Valley PSD VSVSP Sewer Capacity Analysis – November, 2014
- Revenue Impacts of the Village Development on SVPSD – September, 2014

The PSD and SVRE intend to negotiate a Development Agreement to implement an orderly application and allocation of available District service capacity pursuant to Division 5 of the District’s Code (Will Serve Commitment and Contract). The provisions of the agreement will formalize the details of implementing mitigations to impacts assessed in the evaluations.

CHAPTER 3 – PROJECT DESCRIPTION

Section 3.4.3 – Public Services and Utilities – Water Supply (page 3-22)

The creation of a *new* Mutual Water Company to serve the proposed project has not been analyzed in the DEIR and is not a feasible alternative to the Squaw Valley PSD providing the project potable and irrigation water.

The option of SVRE to form a new Mutual Water Company to provide the project with water is included in the DEIR, in the following sections:

- **Impact 13-4 – Long-Term Land Cover Changes and Increased Groundwater Production Effects on Groundwater Patterns, Recharge, and Aquifer Storage in the Olympic Valley Groundwater Basin – Groundwater Pumping (page 13-55)**
- **Mitigation Measure 13-4 – Verify Performance of Groundwater Pumping System (page 13-63)**

MM 13-4 states that it *“is written under the assumption that SVPSD would be the water provider to the proposed project; however, if a Mutual Water Company or other water provider is established that draws groundwater from the Olympic Valley aquifer, this mitigation measure would be applied to that entity.”*

Analysis of environmental impacts and risks, as well as impacts to the levels of service currently provided by the SVPSD and existing SVMWC, from the formation of third potable water purveyor were not considered in the DEIR.

Formation of a new Mutual Water Company is infeasible and is contrary to the Sustainable

Groundwater Management Act of 2014 recently adopted by the State of California.

It is also inconsistent with Assembly Bill 115 and Senate Bill 88 recently passed by the California Legislature that authorizes the State Water Resources Control Board to mandate consolidation of water systems.

Components of Mitigation Measure 13-4 rely on *coordinated* management of the aquifer and groundwater pumping in the sole aquifer to mitigate risks to the aquifer and Squaw Creek and maximize protection of the water supply resource.

The formation of a new Mutual Water Company will result in disjointed and potentially uncoordinated management of groundwater pumping that jeopardizes the levels of service provided to existing customers of both the PSD and the existing SVMWC.

There are multiple entities which draw water from the aquifer and the effects of pumping by the developer will affect the correlative rights of all pumpers, which should be addressed in the DEIR. If a new Mutual Water Company is formed, the County should adopt enforceable mitigation measures requiring reduction of pumping and consumptive uses in the event of depletion of the water supply or lack of sufficiently available sources of supply.

It puts at risk the environmental benefit expected from the proposed and needed Pumping Management Plan and will increase the probability of interference and negative impacts to surrounding wells as well as negative impacts to surface flows in Squaw Creek.

The formation of a new Mutual Water Company increases the need, as well as the difficulty, of executing an updated version of the *Water Management Action Plan* (WMAP) intended to identify groundwater elevation levels that trigger implementation of valley-wide water conservation measures in response to drought conditions. The need for an updated WMAP is increased due to fragmented pumping management by five groundwater pumpers. Executing an updated WMAP is made more difficult by the formation of a new Mutual Water Company by needing agreement in how pumping operations are managed in the aquifer by an additional participant in the WMAP.

If a new Mutual Water Company is formed, the District will consider formation of a local Groundwater Sustainability Agency (GSA) and preparation of a Groundwater Sustainability Plan (GSP) under the provisions of the Sustainable Groundwater Management Act of 2014 to ensure coordinated management of the aquifer and a reliable water supply for Olympic Valley.

The District understands that SVRE desires negotiation and execution of a Development Agreement with the PSD to supply the project with potable and irrigation water (among other services) that is fair. Furthermore, the District understands that inclusion of the alternative to form a new Mutual Water Company in the DEIR provides SVRE a contingency if negotiations

result in an Agreement considered by SVRE to be unfair.

However, the District intends to enter into negotiations in good faith with the desire to execute a Development Agreement that protects the District's existing customers' current levels of service as well as the natural environment without taking advantage of SVRE's need for water supply to the proposed VSVSP.

Final project approval and certification of the FEIR and WSA by the Placer County Board of Supervisors should be contingent on the successful negotiation, execution and recordation of a Development Agreement between SVRE and the PSD.

CHAPTER 9 – TRANSPORTATION AND CIRCULATION

Impact 9-6 – Impacts to Bicycle and Pedestrian Facilities (page 9-65):

The proposed project would not disrupt or interfere with existing or planned bicycle/pedestrian facilities, nor would it result in unsafe conditions for bicyclists or pedestrians. Further, the project would not create an inconsistency with any adopted policies related to bicycle or pedestrian systems.

This would be a less-than-significant impact.

There is no mitigation required in the DEIR (page 9-65).

Significance Criteria (sec. 9.3.1; page 9-30) were developed in the DEIR for Impacts to *Bicycle/Pedestrian Systems* and are shown on page 9-32:

The proposed project would result in a significant impact if it would result in unsafe conditions for pedestrians or bicycles, including unsafe conflicts between pedestrians, vehicles, and bicycles.

Without current snow plow services on the bike trail between Hwy. 89 and the Village, conditions would not meet the standard described above during three-lane traffic control operations permitted on peak skier days. On these days, there is little to no space between snow banks and vehicles (traveling up to 45 mph) available for pedestrians or bicycles to travel

on Squaw Valley Road.

The proposed project increases the importance of continuing the current Bike Trail Snow Removal Program. Increases in vehicle, pedestrian, and bicycle traffic, including employees residing in affordable housing units planned on the East Parcel commuting to work at the ski resort or Village along Squaw Valley Road magnify the need to continue snow removal services.

The Bike Trail Snow Removal Program provides a critically important service to provide for the safety of pedestrians and bicyclists as well as mitigate traffic congestion on Squaw Valley Road. It may improve vehicle safety as it decreases the frequency vehicles are required to deviate from narrow drive lanes to avoid pedestrians and bicyclists.

An element proposed for implementation as part of the *Proposed Transportation Management Plan* (TMP) (sec. 9.3.2; page 9-36) is a:

Year-Round Bicycle and Pedestrian Trail Network – A comprehensive network of multiuse paths and sidewalks would be provided throughout the Village Area and maintained year-round by providing snow removal.

This TMP element is for trails in the Village *only*. There is no equivalent standard for non-project trails on Squaw Valley Road that connect the Village to the East Parcel or Hwy 89.

This element of the proposed TMP should be extended to the County's connected bike network between Hwy. 89 and the Village to continue to provide safe conditions for pedestrians, bicycles, and vehicles and to avoid unsafe conflicts.

Identify Impact 9-6 as Significant without new Mitigation Measure 9.6 that requires SVRE and Placer County to establish a permanent, secured, dedicated source of maintenance funding for snow removal services on the County bike trail between Hwy 89 and the Village to continue protecting pedestrian, bicycle and vehicle safety and to reduce interactions between vehicles / pedestrians and vehicle / bicyclists. Acquire Snow Storage Easements along Squaw Valley Road in support of the Bike Trail Snow Removal Program.

Of course, there are many possible solutions to establishing permanent and dedicated funding including Transient Occupancy Tax (TOT) funds, funding agreements from SVRE, Placer County Dept. of Facilities, property tax assessments, dedicated CSA, etc.

The current Bike Trail Snow Removal Program is delivered by the Squaw Valley PSD; it has been in operation for four years and provides snow removal services for Placer County's bike trails in Squaw Valley. The program is extremely popular and wintertime trail use is considerable. The program complies with provisions of a Placer County Encroachment Permit issued by the Department of Facilities Services.

Snow removal is performed annually as needed between Nov. 15 and April 30 on the 2.3 miles of trail from Hwy 89 to the trail's western terminus near the Village. Maintenance services also include trail inspection and maintenance, sanding for traction control, sweeping, installation & removal of snow poles and signage, litter pick-up, equipment maintenance, and springtime fence repair and trail resurfacing (e.g., patch paving).

Although current snow removal services are provided efficiently and economically and at a high level of service, annual funding is discretionary and not secured or dedicated to provide the service at this time. Two-thirds of the budget is grant-funded annually from County TOT funds through NLTRA and one-third is provided through voluntary contributions from the Squaw Valley Business Association and local businesses. Funding has been variable from local businesses and are potentially unreliable sources of funding.

A plowed bike trail also serves a separate emergency access for the Squaw Valley Fire Dept.

Funding should also be provided for snow removal services to open the parking area at the Squaw Valley Park to serve as an eastern trailhead / staging area for public bike trail use. A provision of the Development Agreement could include a Shared Use provision to make the Park's parking area available to Squaw Valley Ski Resort as overflow parking on peak skier days.

The provisions of the Development Agreement should define standards for snow removal services (e.g., every accumulation over 2" daily (open & clear by 7:00 am; 7 days / week between Nov. 15 and May 30).

CHAPTER 13 – HYDROLOGY AND WATER QUALITY

Section 13.2.2 – Sustainable Groundwater Management Act of 2014 (pages 13-36 and 13-37).

This section incorrectly interprets the Sustainable Groundwater Management Act (SGMA). The last paragraph of this section states, "While the County and/or the SVPSD will still need to take steps to designate and form a groundwater sustainability agency for the Olympic Valley Groundwater Basin ..." The legislation does not require a Groundwater Sustainability Agency be formed in low or very-low priority basins such as Olympic Valley. The sole purpose of establishing a Groundwater Sustainability Agency is to develop and implement a Groundwater Sustainability Plan. Because Olympic Valley has no requirement to develop a groundwater sustainability plan, by inference there is no requirement to establish groundwater sustainability agency.

This section should be modified to remove any inference that a groundwater sustainability agency *must* be formed for Olympic Valley, or that a groundwater sustainability plan *must* be

developed for Olympic Valley.

Impact 13-4 – Long-Term Land Cover Changes and Increased Groundwater Production Effects on Groundwater Patterns, Recharge, and Aquifer Storage in the Olympic Valley Groundwater Basin (page 13-63, first paragraph):

The first paragraph on page 13-63 establishes the basis for potentially significant impacts from groundwater pumping. There is a potentially significant impact because the groundwater model simulated, “...a particular wellfield configuration with certain operating parameters.” This does not capture all the opportunities for potentially significant impacts. Additional uncertainties may result in a potentially significant impact. For example, new wells may not perform as anticipated, or the aquifer may not turn out to be as thick as assumed at new well locations. Therefore, any deviation from the assumptions in the groundwater model, whether for the simulated wellfield or for a new wellfield, may have a potentially significant impact.

Dense development of the land overlying the aquifer poses unique risks to the District’s ability to access the aquifer to rehabilitate and replace existing and proposed production wells. It may also significantly reduce access to the aquifer to explore for additional water supply to meet future demands. The project should include a plan and dedicated areas (drilling islands) to allow for replacement and rehabilitation of wells, along with areas dedicated to access the aquifer to develop future water supplies.

Mitigation Measure 13-4 – Verify Performance of Groundwater Pumping System (pages 13-63 to 13-65)

The applicant should be required to allocate an adequate portion of future Transfer Fees to fund the District’s ongoing Aquifer Monitoring Program, as well as proposed improvements, to ensure protection of water supply resources. This includes monitoring and reporting of measured groundwater elevations and pumping data from all aquifer wells for snowmaking and irrigation as part of Pumping Management Plan. It also includes acquisition, installation, maintenance and replacement of monitoring and reporting equipment such as meters, groundwater level sensors and a SCADA system.

The first sentence of the mitigation measure states that the purpose of the measure is to ensure, “...water supply provided to the proposed project is managed in a manner that is consistent with the system analyzed in the WSA.” The mitigation measure should focus on impacts, not management. The appropriate purpose is to ensure that the water supply provided to the proposed project results in impacts consistent with the impacts predicted by the WSA.

Consistent with our comment on impact 13-4, this mitigation measure should not solely focus on changes to the scenario simulated in the WSA, but should focus on any observed deviations from the impacts from the proposed water supply system. If unanticipated impacts are

observed at any point during development of the water system, the project proponent must implement mitigation measures. This is true for the scenario simulated in the WSA as well as any optional scenario.

The mitigation measure relies too heavily on modeling results, and not on performance criteria. Modeling represents a best estimate of future conditions, but unknowns will always result in variations from modeled conditions. The mitigation measure must address actions that the project proponent will undertake if groundwater impacts are greater than those estimated by the groundwater model. Furthermore, the duty to implement mitigation must be a duty assigned to the project proponent. Responsibility for mitigation for a significant impact cannot be borne by a third party, such as the Squaw Valley Public Service District.

There are no mitigations if there are environmental impacts. Identified mitigations are for failure in the wellfield design / pumping management plan; not for real impacts such as impacts on other wells or on the creek.

Mitigation Measure 13-4 should include something similar to the following:

If observed impacts to groundwater storage, creek flows, or biological or riparian habitats are greater than estimated by the WSA, the project proponent will immediately reduce impacts by either:

- 1. Reducing water demand*
- 2. Paying for imported water*
- 3. Identifying a new water source*

The project proponent will continue to implement these medications until a permanent solution can be found that reduces impacts to less than significant levels.

The need to prepare a Pumping Management Plan is driven by the increase in the number of wells required to serve the proposed project and to minimize impacts to surface flows in Squaw Creek. The District will negotiate with SVRE for funding to prepare the Pumping Management Plan. However, the County, as Lead Agency, should require the preparation of a Pumping Management Plan by the PSD and funded by SVRE to protect the local water supply resource.

Similarly, SVRE should be required to participate and fund an update to the *Water Management Action Plan (WMAP)* intended to identify groundwater elevation levels that trigger implementation of valley-wide water conservation measures in response to drought conditions.

Measure 13-4.A states that if the “applicant proposes an individual well and/or all or a portion

of a well-field to meet water demand associated with the project that would differ from the well field analyzed in the WSA, the new well(s) shall not be installed until the applicant provides additional modeling demonstrating that the following thresholds, or their functional equivalent, would be met. SVPSD shall be consulted during preparation of the analysis.” This should be rewritten to show that the PSD shall perform the analysis and the applicant shall fund model updates. This will be negotiated as part of the Development Agreement between SVRE and the PSD.

All new and replacement wells must comply with SB 221 (Water Supply Verification). Standards for the acceptance of new or replacement wells shall be subject of and required within the Development Agreement. Acceptance of new or replacement wells must be required before issuance of any permit for future stages of construction.

Mitigation Measure 13-5 – Implement Mitigation Measure 13-4 (Verify Performance of Groundwater Pumping System) (page 13-75)

The Mitigation Measure states that the *“The applicant and SVPSD are responsible for implementation of Mitigation Measure 13-4.”* The SVPSD should not be responsible for mitigation of impacts caused by the proposed project. Any participation by the SVPSD should be funded by the applicant and the SVPSD should not have any risk exposure associated with any failure to implement Mitigation Measure 13-4.

Mitigation Measure 13-5 states that the Mitigation Measure 13-4, “...directs the construction and operation of a well system that is consistent with the parameters of the WSA and applicable groundwater plans.” The construction and operation of the well system should be consistent with the impacts predicted by the WSA, not the parameters of the WSA.

Small Items

Page 13-11, Section 13.1.3, second paragraph, first sentence. SVPSD uses a numerical model to simulate groundwater conditions in the OVGB OVGMP area.

Page 13-11, Section 13.1.3, second paragraph. The statement that the model does not capture the lowest observations appears to be is at odds with the previous statement that the model is biased towards underestimating water levels.

Page 13-11, Section 13.1.3, second paragraph. The statement that the model does not capture the lowest observations does not apply to SVPSD production wells – which are the focus of the analysis.

CHAPTER 14 – PUBLIC SERVICES AND UTILITIES

The increase in demand on the District’s water and sewer systems may necessitate the need for additional staffing, equipment, vehicles, and public service facilities.

Improvements to the District’s existing systems as well as new infrastructure necessary to provide additional capacity are expected to be delivered prior to construction of the project phase necessitating them. This approach is in lieu of constructing improvements after the demand of a specific phase triggers the improvements so the District and the community are protected from risks associated with changes in the project’s ownership, scope or schedule. It is anticipated that the Development Agreement between Squaw Valley Real Estate (SVRE) and the District will help define the scope and schedule of improvements.

Water supply sources proposed to serve the project may require treatment to meet water quality standards required by the USEPA and DPH. A new Water Treatment Plant (WTP) should be included in the scope of the project with consideration given to land acquisition, permitting, and zoning necessary to construct it.

Section 14.1.2: Wastewater (pages 14-7 and 14-8)

The flow values presented in the first paragraph for ADWF and PWWF are from MacKay & Soms 2012 Draft Master Sewer Study and are inaccurate. MacKay & Soms 2012 Draft Master Sewer Study references the PSD’s Draft 2007 Sewer Study for these values. This section should show the results from the District-prepared VSVSP Sewer Capacity Analysis.

MacKay & Soms updated their Master Sewer Study a number of times. The most recent Sewer Study Update of March 21, 2014 is not referenced in the DEIR.

Mitigation Measure 14-2a: Provide Sufficient On-Site Wastewater Storage (pages 14-36 and 14-37)

This Mitigation Measure should be removed as an alternative to mitigate a lack of capacity in the wastewater conveyance systems operated by the PSD and T-TSA required to serve the project. The applicant should be required to replace under-sized pipes with those with sufficient capacity to accommodate sewage flows estimated at buildout of the County’s 1983 Squaw Valley General Plan and Land Use Ordinance.

Construction of and reliance on on-site wastewater detention facilities avoids installing basic utility infrastructure required to serve the project’s demands. It jeopardizes the community’s sole source aquifer and water supply resources by potential contamination. It is highly probable that proposed wastewater detention facilities will discharge to the natural environment at some point in the future due to an operational, equipment or facility failure. The location of wastewater detention facilities in the proximity of the community’s sole source

aquifer conflicts with recommendations and requirements of the District's Watershed Sanitary Survey required by California DPH.

The District is highly concerned with the storage of domestic wastewater. On-site detention facilities storing effluent discharged from the proposed Mountain Adventure Camp's aquatic recreation facilities poses less risk of contaminating the water supply due to the constituents of the wastewater.

This infeasible proposal to mitigate basic impacts of increased wastewater generation from the project is repeated in Chapter 18 (Other CEQA Sections) on page 18-46 and should be modified.

Thanks again for the opportunity to provide comment on the DEIR for the project. If you have any questions or require additional information, please contact me at (530) 583-4692.

Sincerely,



Mike Geary, PE
General Manager

cc: Squaw Valley Public Service District Board of Directors
Pete Bansen, Fire Chief; Squaw Valley Fire Department
Jesse McGraw, Operations Manager; Squaw Valley PSD
Chevis Hosea, Vice-President of Development; Squaw Valley Real Estate