

**SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #862
OCTOBER 29, 2019**

Agenda with board packet and staff reports is available at the following link:

<https://www.svpsd.org/board-agenda-october-2019>

A. Call to Order, Roll Call and Pledge of Allegiance. President Dale Cox called the meeting to order at 8:35 a.m.

Directors Present: Directors: Dale Cox, Katy Hover-Smoot, Bill Hudson, Fred Ilfeld, and Victoria Mercer

Directors Absent: None.

Staff Present: Thomas Archer, District Counsel; Jessica Asher, Board Secretary; Mike Geary, General Manager; Danielle Grindle, Finance & Administration Manager; Jessica Grunst, Account Clerk II/HR Specialist; Allen Riley, Fire Chief; Tyler Trojan, Junior Engineer.

Others Present: Pete Bansen, Jean Lange, Perry Norris, Eric Poulsen, David Stepner, Noyan Süel.

President Cox asked Eric Poulsen to lead the Pledge of Allegiance.

B. Community Informational Items.

B-1 Friends of Squaw Creek (FOSC) – None.

B-2 Friends of Squaw Valley (FOSV) – None.

B-3 Squaw Valley Design Review Committee (SVDRC) – David Stepner stated the SVDRC discussed the proposed sign for the Palisades development at the last meeting.

B-4 Squaw Valley Municipal Advisory Council (SVMAC) – David Stepner said that at the last meeting there was a presentation on the rules and regulations regarding accessory dwelling units (ADUs). At the upcoming meeting, the MAC expects a presentation on the potential Highway 89 triple lane pilot project.

B-5 Squaw Valley Mutual Water Company (SVMWC) – Mr. Stepner provided an update. Mr. Stepner clarified his response to a question at the September SVPSD Board meeting regarding the indebtedness of the MWC. He said that the MWC has taken approximately \$4M in loans to date and anticipates borrowing an additional \$4M, over a 40-year repayment schedule. Over the term of both loans, repayment of capital and interest is expected to total approximately \$16M. The current loan has been approved by the bank and the MWC is working through conditions including a requirement for easements from five property owners. The MWC's recently purchased generator was installed.

B-6 Squaw Valley Property Owners Association – None.

B-7 Mountain Housing Council of Tahoe Truckee (MHC) – None.

B-8 Tahoe-Truckee Sanitation Agency (T-TSA) – Director Cox provided an update. All waste discharge requirements were met last month. T-TSA completed a classification and compensation study. The agency will work gradually to standardize classifications so there is greater commonality with other agencies, but overall is paying employees fairly. The office entry remodel was completed.

B-9 Capital Projects Advisory Committee (CAP) – Ms. Grindle provided an update. The CAP committee met last week. Grant applications are due October 31st, 2019. The District is not applying for any Transient Occupancy Tax (TOT) funding. Mike Geary and Perry Norris provided the CAP with an update on the Olympic Meadow Preserve.

C. Public Comment/Presentation.

David Stepner said the Mountaineer service will operate again for the 2019-2020 season from approximately December 15th - April 15th. Placer County is trying to fund evening weekend service to Tahoe City and Truckee. Director Hudson asked how the service is currently funded. Mr. Stepner responded that there is a 1% assessment on local lodging and a \$1 charge on each daily and multi-day lift ticket at Squaw Valley / Alpine Meadows. It costs approximately \$600,000-\$650,000 per year to operate the current service. Due to the current funding mechanism the service must be within the Tourism Business Improvement District (TBID). Director Mercer asked when Tahoe Truckee Area Regional Transit (TART) had free service. Mr. Stepner said Placer County’s Board of Supervisors is considering funding which would make all TART service free. The currently free “Night Rider” runs once an hour, and if they can hire more drivers, TART may provide service every half hour.

C-1 Resolution 2019-21 – Certificate of Appreciation – Eric Poulsen

Director Cox presented Eric Poulsen with a plaque thanking him for his 37 years of dedicated service to the community. Director Mercer read Resolution 2019-21. The resolution passed unanimously by the following roll call vote.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

D. Financial Consent Agenda Items.

Directors Hover-Smoot and Mercer convened with staff on October 28th, 2019 from approximately 9:00 – 10:50 a.m. to review items D-1 through D-14, and item F-7.

Ms. Grindle provided a summary. There were seven new connections this past month; the connections were primarily from the Palisades Development. Ms. Grindle specifically reviewed Item D-4 (Capital Reserve Fund Balance Sheet/Income Statement). The final draft of the financial audit has been provided to McClintock Accountancy Corporation and will be presented at the November 19th, 2019 Board Meeting.

Public Comment – None.

Director Mercer made a motion to approve the financial consent agenda which was seconded by Director Hover-Smoot. The motion passed unanimously.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes
Ilfeld – Yes
Mercer – Yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors Special Meeting of September 23, 2019.

The Board reviewed the minutes, accepted public comment, and approved the minutes for the Board of Directors special meeting of September 23, 2019.

Public Comment – None.

Director Mercer made a motion to approve the minutes for the Board of Directors meeting of September 23, 2019 which was seconded by Director Hudson. The motion passed.

Cox – Yes
Hover-Smoot – Abstain
Hudson – Yes
Ilfeld – Yes
Mercer – Yes

E-2 Minutes for the Board of Directors Special Meeting of September 24, 2019.

The Board reviewed the minutes, accepted public comment, and approved the minutes for the Board of Directors regular meeting of September 24, 2019.

Public Comment – None.

Director Mercer made a motion to approve the minutes, for the Board of Directors meeting of September 24, 2019 which was seconded by Director Hudson. The motion passed.

Cox – Yes
Hover-Smoot – Yes
Hudson – Yes
Ilfeld – Yes
Mercer – Yes

F. Old & New Business.

F-1 Employee Benefit Carrier Change and Savings.

The Board reviewed the item and accepted public comment.

Ms. Grunst reviewed the staff report. Currently the District pays approximately \$54,000 annually for dental, vision, accidental death and dismemberment (AD&D), long term disability, short term disability, and life insurance coverages. The District currently uses four different companies to provide these benefits. The District hasn't shopped to compare insurance providers' costs and benefits since the early 2000s. The District utilized L/P Insurance Services, Inc. to research coverage from carriers for dental, vision, AD&D, disability, and life insurance. By changing providers and without reducing benefits, the District can save 33% annually, or

approximately \$17,877. The District's Personnel Policies and Procedures Manual and both Memoranda of Understanding with represented employees allow changes in carriers. Staff intends to make the proposed changes in the District's insurance carriers to reduce operating expenses effective January 1, 2020.

Director Ilfeld asked how we had four providers in the past. Mike Geary said that historically the District likely worked with a broker to assemble the benefits package and that package was the best rate at the time. Director Hudson asked what company provides coverage for the CalPERS Medical Insurance. Ms. Grunst responded it is Anthem.

Public Comment – None.

F-2 Authorize New Signature Cards for the Operating and Capital Reserves accounts with Bank of the West.

The Board reviewed the item, accepted public comment, rescinded Resolution 2019-02 and adopted Resolution 2019-24 authorizing new signature cards at Bank of the West for the Operating Account and Capital Reserve Account.

Ms. Grindle reviewed the item. Due to the resignation of Director Poulsen and appointment of Director Hover-Smoot the signature cards for the Bank of the West accounts must be updated.

Director Hover-Smoot made a motion to rescind Resolution 2019-02 and authorize new signature cards at Bank of the West for the Operating Account and Capital Reserve Account by adoption of Resolution 2019-24, which was seconded by Director Ilfeld. A roll call vote was taken. The motion passed unanimously.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

F-3 Resolution 2019-25 “Renumber District Code Chapter.”

The Board reviewed the item, accepted public comment and adopted Resolution 2019-25 directing staff to renumber the “Board of Directors Policies and Procedures” chapter of the Administrative Code from Chapter 7 to Chapter 6.

Ms. Asher reviewed the Resolution which is ministerial in nature. Ordinance 2014-01 had removed Chapter 5 of the District Code. Ordinance 2017-01 renumbered the Fire Code, previously Chapter 6 to Chapter 5. However, the chapter titled “Board of Directors Policies and Procedures” was not renumbered from Chapter 7, thus creating a gap in the sequence of chapters in the Administrative Code. Staff is proposing to correct this.

Director Mercer made a motion to adopt Resolution 2019-25 directing staff to renumber the “Board of Directors Policies and Procedures” chapter of the Administrative Code from chapter

7 to chapter 6, which was seconded by Director Ilfeld. A roll call vote was taken. The motion passed unanimously.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

F-4 Truckee River Siphon Construction Observation Services – Farr West Engineering Professional Services Additional Services Addendum (ASA).

The Board reviewed the item, accepted public comment and approved the ASA with Farr West Engineering and authorized the General Manager to execute the ASA.

Mr. Geary reviewed the staff report. The District entered into a Professional Services Agreement (PSA) with Farr West Engineering on June 1, 2018 to provide construction inspection and engineering support services for Truckee River Siphon Replacement Project for a contract amount not to exceed \$65,000. The fee estimate was based on a 100-day construction schedule and limited design engineer support during construction. Based on the complexity of the project, the District extended the construction schedule to 135 days, with completion required by October 15, 2019. Cruz Construction will not complete the project by October 15, 2019 and it is anticipated that construction will be complete by early November 2019. The extended construction schedule, as well as substantial additional support required from the design engineer at Farr West Engineering required during construction due to the complexity of the project and the contractor's slower than anticipated pace of construction are the basis for the Additional Services Addendum (ASA). The requested ASA totals \$25,000, which will bring the total PSA contract amount to \$90,000. The overall project budget can absorb this ASA. The current estimated total project cost is approximately \$100,000 less than the previous estimate, and well within the amount budgeted for in fiscal year 2019-2020.

Director Hudson asked if the project was approximately \$100,000 less than budgeted including this \$25,000 ASA. Mr. Geary confirmed that was correct, however final contract cleanup is still pending. There will be credit for bid items not performed and possible charges for liquidated damages due to the delayed project completion. Director Cox asked how the project proceeded overall. Mike Geary said it has been typical and as expected.

Public Comment – None.

A motion to approve the requested ASA for Farr West Engineering for construction inspection and engineering support services in the amount of \$25,000 and authorize the General Manager to execute the ASA was made by Director Mercer, and seconded by Director Hudson. The motion passed unanimously.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

F-5 California Property Tax Apportionment System.

This item was removed from the agenda.

F-6 Bike Trail Snow Removal Contract.

The Board reviewed the item, accepted public comment and approved the Bike Trail Snow Removal contract and authorized staff to execute the contract between Placer County and the Squaw Valley Public Service District.

Mike Geary reviewed the staff report and provided background on the history of snow removal for the bike trail. The District has been providing snow removal services on 2.3 miles of bike trail annually for the past eight winters.

The proposed contract has the same price and terms as last year's contract. The contract defines the scope of work, indicates that snow removal services will be provided during the period between November 15, 2019 and April 30, 2020, and indicates a fixed fee amount of \$46,000 to be paid in equal increments over the term services are provided. The actual cost will depend largely on the amount and timing of the snowfall as many expenses are not fixed costs.

Last winter, the District repaid in full the \$107,812 internal loan from the Sewer Fixed Asset Replacement Fund (FARF) which was used to purchase the snowblower. Funds from the fixed-fee contract are proposed for operational and capital expenses moving forward.

Director Hover-Smoot said she has noticed that the bike path from Tahoe City to River Ranch is plowed, but from River Ranch to Squaw Valley Road is not, and asked if the District could work with Placer County to plow that 1-mile stretch to unite the full bike trail. Mr. Geary said the District could request an extension of services or could potentially plow this stretch if there are extra funds. He noted that area is extra challenging because it's used as a snow storage area by CalTrans in its snow removal operations on Hwy. 89; the stored snow and ice is dense and difficult to remove.

Director Cox and Hover-Smoot said they have gotten lots of comments on how well plowed the Valley portion of the bike path is and it's important to give that positive feedback to the operations crew.

Director Ilfeld asked who is responsible for trail maintenance as there are some large cracks in the path. Mike said this is the County responsibility.

Director Ilfeld asked how the project was funded historically. Mr. Geary said that the pilot program was primarily funded by in-valley contributors including the property owner's association, Squaw Creek Resort, Squaw Valley Resort, Squaw Valley Business Association, and TOT funds. After the success of the pilot program the County has funded the program, relieving the need for in-valley contributors. When the program transitioned to being County-funded, the District reimbursed approximately \$70,000 to the in-valley contributors from the Bike Trail Reserve Fund.

Director Mercer asked why fence maintenance was included in the District's scope. Mr. Geary responded that maintenance of a portion of the Poulsen fence was one of the initial negotiations when the program began. Director Mercer expressed concern that damage to any fencing would be more likely caused by County plows than bike trail plowing and asked if the specific fence negotiation should be memorialized.

Director Ifeld made a motion to approve the Bike Trail Snow Removal contract and authorize staff to execute the contract between Placer County and the Squaw Valley Public Service District, which was seconded by Director Hover-Smoot. The motion passed unanimously.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ifeld – Yes

Mercer – Yes

F-7 Annual Review of Financial Reserves Policy.

The Board reviewed the item, accepted public comment and approved the District's Financial Reserves Policy as drafted by staff.

Ms. Grindle reviewed the staff report and provided a summary of the Financial Reserves Policy and the proposed changes which will align the policy with the recommendations of the recent Cost of Service Analysis and Rate Study.

Director Mercer said this item was discussed at the Finance Committee Meeting and all changes seem appropriate. Director Hudson asked why the capital replacement plan had a 100-year timeline. Mr. Geary responded that many assets (such as the administrative building and much of the piping) has a very long lifespan and the District wants to ensure that every asset is scheduled for replacement at least once in the capital replacement plan.

Director Mercer made a motion to approve the District's Financial Reserves Policy as drafted, which was seconded by Director Ifeld. The motion passed unanimously.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ifeld – Yes

Mercer – Yes

Management Status Reports were taken out of order.

G-1 Fire Department Report

Chief Riley reviewed the report. It is likely the Department will conduct a test to hire part-time firefighters in mid-November. Negotiations with Squaw Valley Resort to staff Station 22 have not yet occurred. Director Cox asked what the qualifications for the firefighter classification are. Chief Riley responded that a candidate must have their Firefighter 1 (FF1) Certificate provided by a Fire

Academy, have their Emergency Medical Technician (EMT) certification; be at least 18 years old; and possess a valid CA driver's license. Chief Riley provided further detail on staffing.

Jean Lange asked about training requirements for volunteer firefighters and if the District could reestablish a volunteer program. Chief Riley responded that the minimum requirements for volunteers with the same capabilities are the same as part-time firefighters. Unfortunately, it doesn't appear that Olympic Valley residents have interest in joining a volunteer program.

Director Ilfeld asked if Squaw Valley Fire Department (SVFD) was involved in the firefighting efforts throughout the state. Chief Riley responded that due to low staffing, SVFD has not gone to any strike teams this year.

Director Hudson commented that he preferred the previous formatting of the incident reports than the new graphics included in this month's report.

G-2 Water & Sewer Operations Report

Mr. Geary reviewed the report.

G-3 Engineering Report

Mr. Trojan reviewed the report.

The new water and sewer lines for the Resort at Squaw Creek have been installed, inspected and tested. Construction of the pressure reducing valve (PRV) station is delayed due to utility conflicts and will likely be constructed in Spring 2020.

The Truckee River Siphon Replacement project is almost complete; both lines have been pressure tested and television-inspected. During the week of November 4th, 2019, the new system will be tied to the existing system and final electrical and communications work will be completed. The entire project should be complete by November 15th.

One only bid was received for the 1810 Squaw Valley Road Roof Replacement Project and it was substantially over the engineer's estimate and the corresponding project budget. The project will be re-bid early next year.

As summer construction ends, Mr. Trojan will begin to process the reports and inspect the inspection videos from the Sewer TV Inspection Project which will inform the capital replacement plan. Pro-Pipe inspected about 25% of the system and located sewer laterals and cleanouts.

Mr. Geary said that staff will be working on an ordinance requiring property owners to pressure-test sewer laterals from the District's point of service (at the property line) to the house every ten years and whenever there is a transfer of ownership (unless the most-recent test passed in the prior five years). Director Mercer asked approximately how much this testing would cost property owners. Mr. Geary responded about \$500. Director Cox said all other Districts have this requirement. Mr. Geary provided an explanation of how the testing helps limit inflow and

infiltration (I&I) to the sewer system; Director Cox said that SVPSD has the tightest system of all the T-TSA member agencies.

Plan reviews and field inspections for residential and new construction have been keeping staff busy.

G-4 Administration & Office Report

Ms. Asher reviewed the report. There was a short discussion about Placer County's proposed short-term rental (STR) ordinance.

G-5 General Manager Report

Mr. Geary reviewed the report.

G-6 Legal Report (verbal)

Mr. Archer had no comments.

G-7 Directors' Comments (verbal)

The Directors had no comments.

F-8 Olympic Meadow Property – Project Update.

The Board reviewed the item and accepted public comment.

Mr. Geary reviewed the staff report. Mike Geary and Perry Norris, Executive Director of the Truckee Donner Land Trust (TDLT), presented a status update on the project to Placer County's Capital Projects Advisory (CAP) Committee at the October meeting and requested patience from the CAP committee to hold the \$1M in TOT grant for at least another 6-month period when the project status is better understood.

Mr. Norris said that TDLT is still in escrow with the Poulsen Family Trust. He stated that TDLT and SVPSD would like an extension of escrow with a public vote in 2020 but is unsure if the sellers will grant an extension. The sellers are concerned about Eric Poulsen's long standing service on the District's Board.

Mr. Norris said he remains confident that this is a proper transaction, that reason will prevail and that TDLT is the best and strongest buyer. Mr. Norris is having a conversation tomorrow with one of the trustees of the estate to determine if escrow can be extended or will need to be cancelled.

Director Cox said he feels this project is a benefit to the community, that the Poulsen's are not self-dealing, and that the District properly managed Mr. Poulsen's well-known, self-acknowledged conflict of interest.

Public Comment:

Jean Lange asked if the consultants were working on reallocating the taxes. Mr. Geary said

that at this point staff and consultants will not work to reallocate the taxes until the Land Trust has been successful securing an extension of escrow.

Director Hover-Smoot made a motion to move to closed session, which was seconded by Director Mercer. The Board moved into closed session at 10:30 a.m.

H-1 Conference with Real Property Negotiators

The Board of Directors met in Closed Session to discuss matters authorized by Government Code Section 54956.8

Property: 325 Squaw Valley Rd. Olympic Valley CA 96146; APN 096-290-050; 096-230-062

Agency Negotiator: Mike Geary, General Manager SVPSD

Negotiating Parties: Truckee Donner Land Trust

Under Negotiation: Price and Terms of Payment

Only the item on the agenda, the price and terms of payment for real-property negotiations, was discussed.

H-2 Performance Evaluation of General Manager

The Board of Directors met in Closed Session pursuant to Government Code 54957 et al regarding the performance evaluation of the General Manager.

Only the item on the agenda, the General Manager's performance review, was discussed.

I. Possible Action from Closed Session.

No action was taken from the closed session.

J. Adjourn.

Director Ilfeld made a motion, seconded by Director Mercer to adjourn at 12:08 p.m. The motion passed.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

By, J. Asher