

SQUAW VALLEY PUBLIC SERVICE DISTRICT
BOARD OF DIRECTORS MEETING MINUTES #869
MAY 26, 2020

Agenda with board packet and staff reports is available at the following link:
<https://www.svpsd.org/board-agenda-may-2020>

A. Call to Order, Roll Call and Pledge of Allegiance. President Dale Cox called the meeting to order at 8:33 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; Brandon Burks, Operations Superintendent; Mike Geary, General Manager; Danielle Grindle, Finance & Administration Manager; Fabienne Gueissaz, Office Supervisor; Dave Hunt, District Engineer; Allen Riley, Fire Chief.

Others Present: David Stepner, Ed Heneveld, Andrew Lange, Jean Lange, Katrina Smolen, David Shaw, Mike Schwartz, Jeff Collins.

President Cox asked Jean Lange to lead the Pledge of Allegiance.

B. Community Informational Items.

- B-1** Friends of Squaw Creek (FOSC) – Katrina Smolen presented on the Squaw Creek Meadow Restoration project. Their goals are to reduce sediment and improve aquatic and riparian habitat by mitigating trench drains across the meadow.
- B-2** Friends of Squaw Valley (FOSV) – None.
- B-3** Squaw Valley Design Review Committee (SVDRC) – None.
- B-4** Squaw Valley Municipal Advisory Council (SVMAC) – None.
- B-5** Squaw Valley Mutual Water Company (SVMWC) – David Stepner gave an update. SVMWC has been fully approved for a \$4.2 million loan from the USDA.
- B-6** Squaw Valley Property Owners Association (SVPOA) – None.
- B-7** Mountain Housing Council of Tahoe Truckee (MHC) – Director Ilfeld said the group has not met since last board meeting.
- B-8** Tahoe-Truckee Sanitation Agency (T-TSA) – President Cox provided a brief update. T-TSA met all waste discharge requirements in April. Sewer flows were moderately lower due to business closures. Next month there will be a presentation and decision on how to provide relief to commercial businesses that have been closed due to COVID-19.
- B-9** Capital Projects Advisory Committee (CAP) – Ms. Grindle stated that the Committee will meet later in the week to discuss the prior funding cycle, and revise criteria for the next round of applications, which will come out at the end of summer.
- B-10** Firewise Community – Mr. Stepner gave an update. This summer the committee will focus on receiving community input on how much time and money homeowners are putting towards defensible space. Their second focus will be to prepare to apply for grants to clear the forests around Olympic Valley.

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C. Public Comment/Presentation.

Mike Schwartz, Chief of the North Tahoe Fire Department (NTFD) spoke. He and Chief Bill Seline, Chief of the Truckee Fire Department (TFD), submitted a letter to the SVPSD Board of Directors in response to the Fire Department's proposal to provide ambulance service. He stated that he wants to continue with the existing cooperative agreement, and although he is supportive of Chief Riley, he does not believe that ambulance service is profitable. He recommended other ways that the fire department can secure cost recovery. Mr. Geary said he would try to make the NTFD's board meeting and would work to collaborate with neighboring districts to see how ambulance service would affect their operations.

D. Financial Consent Agenda Items.

Directors Cox and Mercer convened with staff on May 21, 2020 from approximately 3:00 – 4:45 p.m. to review items D-1 through D-11 and other finance related items on the agenda. Director Mercer provided a summary. The largest outgoing payment was to Mountain Valley Roofing.

Director Ilfeld asked for clarification on the bike trail surplus. Ms. Grindle clarified that the plan was to contribute \$25,000 to the FARF, but due to last minute repairs, \$23,153 was contributed. Mr. Geary said the addition of two new operators training on the equipment also increased costs.

Ms. Grindle reviewed the progress payment to Springbrook. The project is on hold, because during testing it was discovered that the upgraded system might not work with the District's meter reading software.

Public Comment – None.

Director Mercer made a motion to approve the financial consent agenda which was seconded by Director Hudson. A roll call vote was taken. The motion passed.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

E. Approve Minutes.

E-1 Minutes for the Board of Directors Regular Meeting of April 28, 2020.

The Board reviewed the minutes, accepted public comment, and approved the minutes for the Board of Directors regular meeting of April 28, 2020.

Public Comment – None.

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Director Hover-Smoot made a motion to approve the minutes for the Board of Directors meeting of April 28, 2020 which was seconded by Director Hudson. A roll call vote was taken. The motion passed.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

F. Old & New Business.

Item F-5 was taken out of order

F-5 Residential Garbage Service Contract for FY 2020-2021.

The Board reviewed the item, accepted public comment, adopted Resolution 2020-09 awarding the garbage collection contract to Tahoe Truckee Sierra Disposal Company, and authorized the General Manager to execute all contractual documents.

Jeff Collins, CEO of Tahoe Truckee Sierra Disposal (TTSD) provided an update. TTSD uses the consumer price index (CPI) to establish rates. This year rates will be increased by 3.29%. Ms. Grindle noted that due to the five-year Proposition 218 notice, the District can only increase garbage rates 3%, and the District will cover the remaining 0.29%.

Mr. Collins stated that over Memorial Day, TTSD delivered a dumpster for the community clean-up, and will deliver another one on June 13th for green waste as part of fire safety day. Mr. Lange thanked Mr. Collins for providing the dumpsters.

Mr. Geary thanked Mr. Collins for their continued partnership.

The Board discussed historical and future garbage rate increases.

Public Comment – None.

Director Hover-Smoot made a motion to adopt Resolution 2020-09 awarding the garbage collection contract to Tahoe Truckee Sierra Disposal Company and authorized the General Manager to execute all contractual documents. The motion was seconded by Director Hudson. A roll call vote was taken, and the motion passed.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

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6-30-20

F-1 Community Update – SVPSD Response to COVID-19

The Board reviewed the item and accepted public comment.

Mr. Geary provided an update. District staff continue to follow previously set policies, including departmental isolation, public closure of the building, separation of shifts within the Operations Department, and additional protocols for Fire Department shift changes. The Fire Department has begun inspecting infant car seat installations on a case-by-case basis and are careful to do it outside while maintaining a social distance. Brandon Burks and Jessica Grunst started to work on Business Operations Safety Plans, which are required by the County to be posted in all District buildings.

Director Ifeld asked about the Operations crews sharing equipment. Mr. Burks said the crews clean equipment before and after each use. The separation keeps employees safer, and the District could continue operations even if one crew was sickened and required to quarantine.

Public Comment – None.

F-2 CalPERS Unfunded Accrued Liability.

The Board reviewed the item, accepted public comment and approved an additional payment to CalPERS to pay down the Miscellaneous Group’s unfunded accrued pension liability.

Ms. Grindle reviewed the proposal to pay an additional \$600,000 towards the Miscellaneous Group’s unfunded accrued pension liability (UAL) in FY2020, with funds from the sewer FARF. By paying down the UAL, the District will reduce the amount of future interest owed; CalPERS has a 7% interest rate. Ms. Grindle recommended paying down the UAL by an additional \$600,000 in FY2021 from the water FARF, which is reflected in the budget. The District may take out low interest loans through the USDA to pay for sewer and water projects.

Public Comment – None.

Director Ifeld made a motion to approve to approve an additional payment to CalPERS to pay down the Miscellaneous Group’s unfunded accrued pension liability. The motion was seconded by Director Hudson. A roll call vote was taken, and the motion passed.

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

F-3 Third Draft of FY 2020-2021 Budget and Rates.

The Board reviewed the item and accepted public comment.

This item was reviewed in detail during the Finance Committee last week.

Ms. Grindle and Mr. Geary reviewed the most significant changes to budget.

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Rates are proposed to increase as follows: sewer rates will not change, water rates will be increased only as much as inflation at 2.43%, garbage will be increased 3%, although TTSD increased rates by 3.29%. These limited increases are a way for the District to respond to the financial hardships created by the pandemic. Director Ilfeld asked for clarification on the strategy. Mr. Geary clarified that he and Ms. Grindle went through budget and worked out how to reduce expenses and rates to offer relief to District customers. It is an acknowledgement that times are hard for District customers; the District can afford to lower rate increase while still making contributions to FARF accounts. Director Mercer asked why the District can reduce rate increases to 0% for sewer, but only 2.43% for water. Ms. Grindle clarified that there are many capital water projects that cannot be delayed. The District will need to increase water rates to maintain minimum FARF balance. The sewer FARF is robust, so sewer rates do not need to be increased.

Ms. Grindle reviewed the tax revenue projections. The District will receive a 1.14% increase in property tax revenue this year since the tax revenue is based on property value as of January 1, 2020. Ms. Grindle has budgeted for a 0% increase for the next two years due to economic uncertainty in response to COVID-19. Mr. Geary said that property tax revenue increases are not keeping up with inflation.

Mr. Hunt reviewed the West Tank Recoating Project. The project will cost \$600,000; Mr. Hunt plans to secure a low interest loan through the USDA or the State Revolving Fund in order to advance the financing strategy to pay down the UAL.

Mr. Geary reviewed the increase to Fire Department staffing. The Fire Department will hire three seasonal employees to work for 8 months a year. That will allow the Department to have a minimum staffing level of 4 and implement ambulance service without increased labor costs. The budget does include expenses from providing ambulance service but does not include revenue until FY2022.

Ms. Grindle reviewed the property & liability insurance rate increase. The District's insurance provider, SDRMA, will increase property and liability insurance by 35%. Ms. Grindle had a short timeline to get quotes from other insurance agencies; the quotes she did receive were not able to beat SDRMA's rates, while maintaining the same amount of coverage. She will review it again in January 2021.

Ms. Grindle reviewed the annual purchase of CDs. The District did not purchase one this year. Rates at the issuing bank are currently lower than rates through the County. She will review it again in FY2021 to see if rates increase.

Mr. Hunt reviewed the large capital projects he will be working on in FY2021, including the West Tank Recoat, the Meter Replacement Program, and the grants he has secured so far.

The Board discussed the ambulance service as proposed in the budget. Director Mercer asked Chief Riley what other streams of revenue the fire department could access. Chief Riley said he would do more research to see what is available. Mr. Geary said the goal of ambulance service is to provide patient care, as well as the financial benefit to the District for providing the service. Current ambulance service in the Valley is adequate, and the support from TFD & NTFD is top quality.

President Cox said that SVFD getting into ambulance service will have direct financial impacts on NTFD and asked for an estimate. Mr. Geary said the letter submitted by Chief Seline and Chief Schwartz showed how much NTFD and TFD claim to currently lose every year with ambulance service, but Mr. Geary said he thinks expenses could be inflated due to labor costs of staff that would be working anyways. Ms. Grindle said she was conservative with her estimates of how much revenue the Fire Department could collect; she estimated \$255,000 per year, but even if the collection amount was \$207,000 per year, the program would still be profitable. The biggest expense for NTFD and TFD is labor, but the Fire Department will have five staff working at a time, regardless if there is ambulance service.

Director Hudson encouraged staff to maintain collaboration with other departments and to maintain strong relationships with other districts.

Director Mercer asked to have a specific conversation about this topic at a future meeting within its own agenda item. She requested to have a deeper analysis of collection amounts from outside of TFD and NTFD.

Director Mercer commended Chief Riley for his collaboration with other departments, even though that collaboration was not explained in the letter from Chief Seline and Chief Schwartz. Mr. Geary said NTFD & TFD were supportive of SVFD getting into the ambulance service, and both departments supplied the figures for Ms. Grindle to calculate projected revenues and expenses. The first indication of concern from other departments was received on May 1, 2020.

Chief Riley said both chiefs have been understanding and cooperative, but not necessarily supportive. They are willing to work with the District and help do research. The District's relationship with those departments is critical.

Mr. Geary recommended keeping the budget as is regarding Fire Department staffing and ambulance service and he and Chief Riley will meet with the other departments to collaborate.

Public Comment – None.

F-4 Introduce Ordinance 2020-03 – Adopting Rates & Charges and Revised District Codes.

The Board reviewed the item and accepted public comment.

Ms. Grindle reviewed the staff report. Rates increases are proposed as follows: Sewer 0%, Water 2.43%, and Garbage 3%.

Public Comment – None.

Director Hover-Smoot made a motion to waive the reading of Ordinance 2020-03. The motion was seconded by Director Mercer. A roll call vote was taken, and the motion passed.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

F-6 Annual Review of Financial Investment Policy.

The Board reviewed the item, accepted public comment, and approved the revised District's Financial Investment Policy with the proposed changes.

Mr. Geary reviewed the staff report. There are no substantial changes to this version of the policy. Staff recommends that the minimum amount of liquid funds required by the Financial Investment Policy mirror the amount stated in the Financial Reserves Policy, which requires enough money to cover 60 days of operating expenses. The second change is an increase to the maximum allowable funds in the Placer County local agency investment fund (LAIF) account; the new amount is increasing from a maximum of \$65M to \$75M per account, which does not affect the District.

Public Comment – None.

Director Ilfeld made a motion to approve the revised District's Financial Investment Policy, which was seconded by Director Hover-Smoot. A roll call vote was taken, and the motion passed.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

F-7 Award Contract – 1810 Fire Station Stucco Repair and Paint Project.

The Board reviewed the item, accepted public comment, approved the contract with Easterbrook Painting, Inc. for \$22,600, and authorized the General Manager to execute all contractual documents.

Chief Riley reviewed the staff report. This project has been anticipated for many years and was budgeted for in this fiscal year. The District received three bids; Easterbrook Painting, Inc., came in lowest at \$22,600, which is considerably lower than the budgeted amount of \$40,000.

The Board discussed reviewing the references and insurance of the contractor before starting the project. Mr. Archer said that this proposal would be updated to specify warranties and additional insured certificates.

Public Comment – None.

Director Hover-Smoot made a motion to approve the contract with Easterbrook Painting, Inc. for \$22,600, and authorize the General Manager to execute all contractual documents. The motion was seconded by Director Hudson. A roll call vote was taken, and the motion passed.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

F-8 Cal Fire Dispatch Agreement.

This item was removed from the agenda and not reviewed or discussed; the agreement had not yet been received by the District.

F-9 Operations Department Annual Report.

The Board reviewed the item and accepted public comment.

Mr. Burks reviewed the staff report. The main highlights were that there were no sanitary sewer spills in 2019, and that Operations staff attended lots of training, especially the two trainee employees, who are participating in the CalRural apprentice program. Mr. Burks clarified that the budget for the West Tank Recoat was not updated in this report, so the numbers are inaccurate.

Director Hudson commented on historical trends.

Director Ilfeld asked about the future of horizontal wells. Mr. Burks said they need to be upgraded before they can be turned back on. Well 4 has not been online in 17 years, it is in a vault and has been capped off, but the District monitors aquifer levels from it. Ilfeld asked if it could be brought back online, Mr. Hunt said the main issue is that it interferes with Well 2R, and they cannot pump at the same time.

Director Ilfeld asked about the water loss percentage and how it compares with other districts. Mr. Burks said the average for our sized system with our pressure is 10-15%, he estimates that the District's water loss percentage is average.

Public Comment – None.

The Board went into a recess at 11:50 a.m. and resumed the meeting at 12:00 p.m.

G. Management Status Reports.

G-1 Fire Department Report

Chief Riley reviewed the report. Director Mercer commended Chief Riley's dedication to ambulance service research.

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J. Mercer
6-30-20

G-2 Water & Sewer Operations Report

Mr. Burks reviewed the report.

G-3 Engineering Report

Mr. Hunt reviewed the report.

G-4 Administration & Office Report

Ms. Gueissaz reviewed the report.

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)

Director Cox asked about the status of the Pancake Breakfast; Chief Riley said it has been postponed, and he will update the Board when a new date is set.

Director Hover-Smoot made a motion, seconded by Director Ilfeld to adjourn to closed session at 12:25 p.m. The motion passed.

Cox – Yes

Hover-Smoot - Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

H. Closed Session – Performance Evaluation of General Manager.

Only the action on the agenda, the General Manager's performance evaluation, was discussed; no action was taken.

I. Possible Action from Closed Session.

No action was taken from Closed Session item.

J. Adjourn.

Director Hudson made a motion, seconded by Director Ilfeld to adjourn at 1:31 p.m. The motion passed.

Cox – Yes

Hover-Smoot – Yes

Hudson – Yes

Ilfeld – Yes

Mercer – Yes

By, F. Gueissaz

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SIGNATURE: *F. Gueissaz*

DATE: 6-30-20