

BOARD MEETING  
APPROVED MINUTES

June 12, 2008

DIRECTORS PRESENT: President Kelly Atchley, Vice President Erik Henrikson  
Directors Dan Wilkins, Ron Treabess, and Lou Reinkens

STAFF PRESENT: Cindy Gustafson, General Manager  
Alan Harry, Administrator of Planning and Public Works  
Mike Sexton, Legal Counsel  
Ginger Charlton, District Clerk

**A. CALL TO ORDER – PLEDGE OF ALLEGIANCE**

*Director Atchley called the meeting to order at 5:05 p.m. Mr. Harry led the audience in the Pledge.*

**B. AGENDA AMENDMENTS AND APPROVAL**

1. Agenda Deletions, Changes and Audience Requests

*None.*

2. Additions to Agenda

*Director Atchley said that there will be a report out on St. Francis held in closed session.*

**Motion to approve the addition to the agenda: Henrikson/Treabess/5-0**

3. Approval of Agenda

**Motion to approve the agenda as amended: Reinkens/Treabess/5-0**

**C. PUBLIC FORUM**

*There was no public input.*

**D. RECOGNITION**

4. Ralph Turner – 5 Year Service Recognition

*Mr. Adamson thanked Ralph for helping with his transition to the Tahoe area. He said that Ralph has vast knowledge of trail and park maintenance, is one of the hardest workers he has ever had the privilege to work with, and hopes that he works for the District for many more years.*

*Mr. Bolton said that Ralph is known for his work ethic, thinking about the safety of employees and public, and cares about what he is doing. He reported that Ralph was "Employee of the Year" in 2004.*

*Ms. Gustafson said that Ralph takes the initiative and makes suggestions on things that improve the District. He is a model employee and is very much appreciated.*

## **E. GENERAL**

### **5. JPIA Presentation on Benefits of Membership**

*Director Reinkens introduced Andy Sells, Chief Financial and Operations Officer from ACWA/JPIA. Mr. Sells explained that he was directed by the Executive Committee to go to the top 50 districts to do a presentation on what the JPIA does and to review some of the services that they provide. He went through his presentation and answered questions of the Board and staff.*

## **I. PARKS AND RECREATION**

### **8. Yurt Construction at Tahoe Cross Country Ski Area – Highlands Property**

*Mr. Bolton reported that a Parks and Recreation Committee meeting was held last night at the Highlands Community Center to ask for public comment on the construction of the yurt on the Highlands property. About 25 people attended and the outcome was very positive with no major opposition to it. He noted that the project is completely covered by grant funds of \$38,000. He introduced Jim Robbins of the Tahoe Cross Country Ski Education Association and Valerie Morane, the concession operator. Mr. Bolton reported that they need to go through the TRPA and CEQA process and have requested the District's assistance. The group will owe the District about \$8,000 this year and have requested that the money go towards the permit process. Since the yurt is grant funded, they need to get it done this year or they could lose the money. Mr. Bolton said that he recommended hiring a consultant to do the permitting work and then use any leftover money on the facility. Mr. Robbins asked that a portion of the money go for fees to help them get through the process. After discussing the situation, it was determined that the District will take the lead for the permitting process, staff will work on a new contract with the group, and the \$8,000 will go towards the permitting process and then to needed facility improvements.*

## **F. FINANCIAL**

### **6. Water and Sewer Rate Setting Schedule**

*Ms. Gustafson said that she and Mr. Dykstra started outlining a schedule for a January 1<sup>st</sup> implementation and determined that in order to have enough time to get the public involved in the rate setting process, the implementation would have to be moved to April 1<sup>st</sup>. She said that staff's recommendation is to adopt the schedule included in the packet for this year and the concept that April 1<sup>st</sup> be the routine time to implement new rates so that there would be a fully completed and adopted budget before setting the rates. Director Wilkins asked if getting organized groups involved in our process with rate setting would help with outreach. Ms. Gustafson responded that she is presently working on a schedule to meet with groups and is still working on an outreach plan. She'll keep the Board updated.*

**Motion to approve changing the water rate schedule to an April 1<sup>st</sup> schedule and approve the meeting schedule: Reinkens/Wilkins/5-0**

**G. PROJECTS**

All items covered under consent calendar.

**H. WATER AND SEWER UTILITIES**

7. Approve Purchase of One Replacement Generator

*Mr. Laliotis reported that the North Lane Pump Station generator has had some recent failures and needs to be replaced. He would like to defer the budgeted Madden generator replacement until 2009 and replace the North Lane Pump Station generator now. He also reported that he only requested one proposal for the replacement of this unit due to standardization. Mr. Sexton recommended that the District consider adopting policies and procedures for a bidding process because the Public Contract Code is not crystal clear on when we are required to bid items. Ms. Gustafson said that she recommended going ahead and approving this purchase and begin working on a policy so that we don't run into this problem again. Director Treabess asked that local vendors be addressed in the new policy. Director Wilkins asked that a distinction on what we have to go through a sealed bid process on vs. quotes be included in the policy.*

**Motion to approve: Reinkens/Wilkins/5-0**

**J. CONSENT CALENDAR - MOTIONS**

*Director Reinkens asked to pull item #9 – May 22 Board Meeting Minutes.*

**Motion to approve the remaining consent calendar: Reinkens/Treabess/5-0**

9. Minutes

- April 17, 2008 – Parks and Recreation Committee Meeting
- May 16, 2008 – Finance Committee Meeting
- May 22, 2008 – Board Meeting

*Director Reinkens noted the following change on his statement in the Director's Comments: Director Reinkens reported that it was announced at the ACWA/JPIA meeting that the workers compensation rate is coming down ~~to~~ 11.42%.*

**Motion to approve the revised minutes: Reinkens/Treabess/5-0**

10. Finance Report

11. General Manager and Staff Reports

- a. General Manager
- b. Administrator of Planning and Public Works
  - Director of Utilities
  - District Engineer
  - Project Development
  - Technical Services

- c. Director of Parks and Recreation
    - Parks Superintendent
    - Recreation Superintendent
12. 2008 Water Meter Completion Project – Tahoe City South
- a. Pay Estimate No. 1
  - b. Change Order No. 1
13. 2008 Water Meter Completion Project – McKinney/Quail  
Pay Estimate No. 1
14. Harbor Master Sewer Pump Station Project
- a. Pay Estimate No. 14
  - b. Change Order No. 9
  - c. Notice of Acceptance of Completion

**K. RESOLUTIONS**

15. West Lake Tahoe Water Company – Silvertip Waterline Replacement Project – Resolution to Call for Bids

*Mr. Homolka reported that everything is pretty much in place. The documents were sent to the property owners and they voiced no objections. He noted that the budget has gone up about \$25,000 because of El Dorado County's pavement restoration requirements. Mr. Sexton prepared an agreement that the property owner's will sign. It outlines the problem that they are facing, states that they agree that the District will provide the new facilities, outlines the cost share responsibility, and waives any right they have to protest Proposition 218. He recommended that the agreement be finalized before the bid is awarded. The final pay split equals 64.5% District and 35.5% to WL TWC property owners. There will be a reconfirmation when the bids come in to allow either side to back out if the costs come in too high.*

**Motion to approve Resolution #08-16: Treabess/Reinkens/5-0 by roll call vote**

16. Blackwood Sewer Pump Station Flood Protection – Resolution to Call for Bids

*Mr. Homolka reported that this project is also almost ready to go to bid and should come back to the Board next month for award. He noted that the full project budget is \$166,000; the construction estimate is \$82,000; the cost to the District without the FEMA approval is \$128,000 (and FEMA is requiring a budget augmentation of \$48,000).*

**Motion to approve Resolution #08-17: Wilkins/Reinkens/5-0 by roll call vote**

17. Agreement and Election of Tahoe City Public Utility District to Pre-fund other Post Employment Benefits through CalPERS

*Ms. Gustafson explained that these are the agreements needed to put our funds into PERS for post-retirement medical. She said that the Finance Committee gave their support and the returns that PERS gets on their investments are double what we're*

*seeing in the LAIF account. Staff's recommendation is to move forward with the agreement with PERS.*

**Motion to approve Resolution #08-18: Henrikson/Wilkins/5-0 by roll call vote**

18. CalPERS Delegation of Authority to Request Disbursement

*Ms. Gustafson explained that this resolution allows Mr. Dykstra or Ms. Gustafson to deal with disbursing the funds to the retirees.*

**Motion to approve Resolution #08-19: Henrikson/Wilkins/5-0 by roll call vote**

**L. GENERAL**

19. Reports: Engineering Department, Finance Committee, Finance Department, General Manager, Parks & Recreation Committee, Parks & Recreation Department, Pre-Agenda Committee, Risk Coordinator, Tahoe-Truckee Sanitation Agency, Water & Sewer Department

*Mr. Harry reported that the District received \$165,000 from the Conservancy for the Homewood bike trail design. He and Ms. Gustafson attended a couple of NLTRA meetings and have almost secured an additional \$165,000. Action on that money will take place next week.*

*Mr. LeRoy updated the Board on the water meter installation projects. He reported that both projects are moving ahead and should be completed prior to their deadlines.*

*Mr. Laliotis updated the Board on the problem with the Tamarack system. We agreed to do a survey with them to determine the extend of the problem, who has what, and how they are set up. They have completed about 95% of the survey and will begin restoring service where necessary to get the private fire hydrants back to where they were.*

*Mr. Laliotis said that they are actively sending out 300 – 400 leak letters a month to the public regarding their water services. They are sending the notices monthly so people with leaks will get a letter each month until the leak is fixed. That way, when we go to consumption based rates, the District will have something to fall back on when customers complain about their bills. He noted that they have been getting a really good response so far.*

*Mr. Bolton reminded the Board about the Family Bicycle Derby on Saturday, June 14<sup>th</sup>, at Rideout Community Center. Director Reinkens noted a concern about the severe cracks in the pavement. Mr. Bolton will work on the problem before the event.*

*Ms. Gustafson reported that she had a request from Timberland homeowners to meet with a couple of Board members so she will begin setting things up.*

*Ms. Gustafson reported that the District is receiving a lot of requests to use the Board room. She asked Mr. Bolton to look into compiling a list of who is paying what for rental fees. She said that staff will review the information and determine if everyone needs to be charged a minimal amount to at least cover the costs of lights, etc. She asked for the Board's direction. Director Atchley said that she would be comfortable with a flat rate for everyone and she would like the solution with the least amount of staff impact.*

*Ms. Gustafson said that she picked up the \$7 million check for Harbor Master and delivered it safely to Mr. Dykstra.*

*Ms. Gustafson said that Chamberlands Homeowners asked us to participate in paving their driveway. After the District tour she asked Bob Bryant to help with the issue. Within 12 hours he furnished her with an estimate. They are asking us to pay for 50% of the costs. Our estimate is that we use approximately 1/3 of the driveway so staff will offer to pay for less than requested.*

20. Board Follow-up

*Ms. Gustafson said that she added this new item to the packet to ensure that information that was requested by Board member(s) gets back to everyone. She discussed the latest letter from Mr. Bevc and said that Mr. Sexton is advising staff on how to handle the situation. The Board thanked Ms. Gustafson for putting the list together and said that it will be useful.*

*Director Wilkins said that he is generally not in favor of staff taking District vehicles home and would like to review the policy over the course of the next year. He's opposed to having District property being parked in driveways out of town. He would prefer something like a car allowance.*

21. General Correspondence

*Ms. Gustafson pointed out the letter and photo from a Homewood property owner who was concerned about the dead trees on PUD property behind his home. She said that she asked Bob Bryant to contact the gentleman. He did so that day and the gentleman was shocked to get such quick service. She said that this is just one sample of why she is continually proud of staff for doing such a great job with public relations.*

*Director Henrikson asked if Homewood or Kings Beach has to get a permit to do the Farmers Market. It was determined that they don't and we don't feel we should have to, either.*

**M. DIRECTOR'S FORUM**

22. Director's Comments

*Director Reinkens thanked staff for putting the tour together and said that it was interesting to see how the quality of our installations deteriorates the further you get away from the District Office. The broken deck at the Rubicon pump station was brought up. It was felt that something needs to be done to fix it even though it's on private property. Ms. Gustafson suggested that staff ask our insurance carrier to give us a letter that we could send to the Rubicon Homeowners Association about the situation.*

*Director Treabess also enjoyed the tour and was impressed with the knowledge that staff showed.*

*Director Treabess said that he would like the Board to come up with the most general policy possible regarding the "local" issue and then have staff work on it. The property tax issue also needs a general policy that would be fair and the whole Board could agree on.*

Director Atchley asked about the status of the North Tahoe Arts contract. Ms. Gustafson said that staff hasn't had a chance to work on it yet. Director Reinkens suggested using a contract with rent offsets included and said that he gave Ms. Gustafson a copy of the airport's. Director Atchley asked that the contract be worked on as soon as possible.

Director Atchley noted new cell phone laws and asked if someone was working on the District's cell phone policy. Ms. Gustafson said that staff is currently updating the policy.

Ms. Gustafson said that she had a follow-up item regarding the strategic plan to schedule the meeting with Placer County Water Agency, the private water companies, and North Tahoe PUD's private water companies. It looks like it will be a July meeting at the conference center.

## **N. MEETING REVIEW AND STAFF DIRECTION**

### 23. Meeting Review

*Ms. Gustafson reported the following items for follow-up:*

- *Staff will check with ACWA to see if crisis response includes overtime for labor costs.*
- *Staff will check on the Workers Comp premium and get it to the Board members.*
- *Staff will develop a greater public outreach effort with some specific meetings with videos or photos of our facilities.*
- *Staff will develop policy on purchasing and bidding and make sure we're legally clear on them.*
- *Bob Bolton will fill the cracks at Rideout Community Center.*
- *Staff will look at revisions to the vehicle use policy during the course of the year.*
- *Staff will look into the Rubicon situation with our lift station and what we can do to improve it.*
- *Staff will bring back the North Tahoe Arts lease.*
- *Staff will have the agreement on WLTC at the next meeting.*

## **O. CLOSED SESSION**

### **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION SUBDIVISION (A) OF SECTION 54956.9**

24. Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9: Two potential cases.
25. Government Code Section 54954.5, Closed Session/Real Property Negotiations. Closed Session for purposes of constituting Negotiation Team on behalf of proposed Improvement District No. 1 for voluntary acquisition of Lake Forest Water Company system and consulting with those persons who may be members of the team.
26. Government Code Section 54956.9, Closed Session: Conference with counsel in regard to existing administrative proceedings before the Public Utility Commission in regard to the Lake Forest Water Company.

**PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT/PERFORMANCE  
EVALUATION/COMPENSATION – GOVERNMENT CODE SECTION 54957**

27. General Manager

**P. CLOSED SESSION REPORT**

*Mr. Sexton reported the following out of closed session:*

*Regarding items 24, 25, 26, and 27, no reportable action was taken and direction was given to staff.*

*Regarding the added item, St. Francis Condo Litigation, the District and St. Francis entered into a settlement. Dismissal of the lawsuit was filed May 21, 2008.*

*The settlement does the following:*

- 1. Allocates maintenance and repair responsibility for water and sewer facilities located within the St. Francis common interest development and described in bills of sale dated July 16, 1974, between the TCPUD and the SFLHA.*
- 2. Confirms to the District existing easements for the performance of its maintenance and repair responsibilities.*
- 3. Provides for the removal or other handling by SFHLA of encroachments interfering with the District's maintenance and repair responsibilities.*
- 4. Provides for the abandonment or payment of fees and charges by SFLHA for unauthorized water connections located within the development.*

**Q. ADJOURNMENT**

*The meeting was adjourned at 9:00 p.m.*

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Catherine K. Atchley, President

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Ginger Charlton, District Clerk  
Prepared by Ginger Charlton