

REGULAR BOARD MEETING
APPROVED MINUTES

January 18, 2008

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

STAFF PRESENT: Bob Lourey, General Manager
Cindy Gustafson, Assistant General Manager
Paul Minasian, Legal Counsel
Ginger Charlton, District Clerk

A. CALL TO ORDER – PLEDGE OF ALLEGIANCE

President Atchley called the meeting to order at 8:30 a.m. Director Reinkens led the audience in the Pledge.

B. AGENDA AMENDMENTS AND APPROVAL

1. Agenda Deletions, Changes and Audience Requests

Mr. Lourey noted that Brandi Stirton was not here to accept her service recognition certification so item #5 will be moved to the February agenda.

2. Additions to Agenda

There were none

3. Approval of Agenda

Motion to approve the agenda as changed: Reinkens/Wilkins/5-0

C. PUBLIC FORUM

There was no public participation.

D. RECOGNITION

4. Eric Paieri – 5 Year Service Recognition

Mr. Laliotis said that Eric came to the District with a lot of experience. He noted that he's extremely hard working and takes pride in his work. The board thanked Mr. Paieri for his years of service.

5. Brandi Stirton – 3 Year Service Recognition

This item was moved to the February agenda.

6. Jack Beckman – 30 Year Service Recognition

Mr. Lourey went over Mr. Beckman's history with the District and said that he has proved to be a great project manager. He is also the single person that has helped turn our safety program around. Mr. Lourey said that he and Jack have built a very strong friendship and he truly enjoys working with him. Mr. Beckman thanked him and replied that working for the District for the past 30 years has been a pleasure.

7. Recognition from ACWA/JPIA

Mr. Lourey said that he felt it important to recognize this item and to thank Mr. Beckman once again for his involvement with receiving this recognition for achieving a low ratio of "Paid Claims and Case Reserves" to "Deposit Premiums".

E. FINANCIAL

All items covered under consent calendar.

F. PROJECTS

All items covered under consent calendar.

G. WATER AND SEWER UTILITIES

All items covered under consent calendar.

H. PARKS AND RECREATION

All items covered under consent calendar.

I. CONSENT CALENDAR

Director Henrikson asked to pull item 10-a. Director Reinkens asked to pull item 10-c. Director Treabess asked to pull item 12.

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

8. Minutes – December 21, 2007 Board Meeting

9. Finance Report

10. General Manager and Staff Reports

- a. General Manager
- b. Sewer and Water Report
- c. Technical Services Report
- d. Director of Parks and Recreation Report
- e. Parks Activity Report
- f. Recreation Activity Report
- g. Project Development Report
- h. Assistant General Manager Report
- i. District Engineer Report

Director Henrikson explained that the item on Nahas and Merrill has to do with a private waterline that we are feeding. He said that we are trying to clean it up with them and he believes that we have reached an agreement on how to do that. Director Henrikson noted that there is also an issue there where the water crosses the bike trail and he would like that dealt with. Mr. Lourey said that he will work on it.

Director Henrikson asked about the Thompson's proposed garage in Rubicon and said that he doesn't recommend it. Mr. Lourey said that if they build over the sewer line, they will need to reconstruct the line in an encasement and go through a development agreement.

Director Henrikson asked what is being done on the PPM. Mr. Lourey said that there is a discrepancy between the MOU and the PPM and work is being done to bring it up to date.

Motion to approve the General Manager's Report: Henrikson/Treabess/5-0

Director Reinkens asked to be filled in on the consultant selection. Mr. Lourey said that they held the first Technical Consultant meeting earlier in the week and discussed the policy. The five-year capital improvement list for water, sewer, and parks and potential consultant work from that list that follows within this policy and how we're going to deal with those. Then they discussed the actual proposal that is covered under item #16.

Motion to approve the Technical Services Report: Reinkens/Treabess/5-0

11. Harbor Master Pump Station

- a. Change Order #5
- b. Pay Estimate #9

12. Approval of Sewer System Management Plan (SSMP) Work Plan and Schedule

Director Treabess asked what part of the plan is a state requirement. Mr. Laliotis said that basically this plan is an attempt to try to permit collection agencies and standardize practices of maintenance and response. He noted that the District already does most of this because we're held to a higher standard than other agencies and it's more or less just a process that needs to be gone through. Mr. Minasian said that this would theoretically be eligible for a state mandated cost claim but the state and regional boards are fighting it. He said that the District needs to figure out how much money is involved here and, if there is enough money, we need to make a claim to at least get in line. Director Treabess asked if everyone is comfortable taking three years to do the plan. They were.

Motion to approve item #12: Wilkins/Henrikson/5-0

L. RESOLUTIONS/ORDINANCES

13. Resolution of Vacation

Mr. Minasian said that there are four parts to this issue. First, there is the legal part; second, Placer County would like to have a say; third, there are two land owners that apparently have a problem and we may be able to craft a procedure that would help them get through this; and fourth, the future for the sidewalk. He recommended

deferring the item at this time. Mr. Auerbach said that Mr. Topol doesn't have any pressing timelines but would like to get things cleaned up. He suggested that the District might consider giving this property back to the County or Cal Trans so that they can handle the issue. Director Atchley said that she feels it would be valuable to have staff meet with Bob Costa from the County about what they see this being and why they are interested in it in the long run. She said that her interest is to do right by the community without a huge expense attached to it.

Motion to defer this item: Henrikson/Wilkins/5-0

14. Resolution Concurring in Nomination to the Executive Committee of ACWA/JPIA

Director Reinkens explained that this process takes place every four years. He recommended nominating Bill Knutson to serve another term on the Executive Committee.

Motion to approve: Henrikson/Treabess/5-0 by roll call vote

K. GENERAL

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

Ms. Gustafson reported that she and Mr. Lourey met with a gentleman who is concerned with our availability to provide water to Homewood with their planning effort. They assured him that it would go through a lengthy process and that the District is not taking a position on the Homewood situation but is responding to inquiries.

Mr. Lourey explained the piece of correspondence regarding an agreement between us and Homewood Mountain Resort that would enable them to use our McKinney well. The board gave direction to bring a draft agreement to the Sewer and Water Committee first to go over the issues that concerned board members. Director Reinkens said that this issue could turn into a political football. He wanted to note that it is not our intent to get into the irrigation business and using potable water to make snow needs to be addressed by the Sewer and Water Committee. Director Atchley asked that this whole issue be brought back with as many answers as possible.

Mr. Bolton reported that they moved the recreation operation to Rideout and morale is good there. He explained what is there and the programs going on. He noted that they are finalizing the candidates for the Rideout committee and he will bring that item to the board in February. He also reported that staff is waiting for a response from West Shore regarding our leasing the parking lot to them.

Mr. Beckman gave an update on the Harbor Master Pump Station building. He then announced that we are expecting our semi-annual visit from ACWA/JPIA staff on February 13th and 14th. They will be doing various trainings for staff. He reported that we have also formally made contact with the safe drinking water people through DOHS and there will be an emergency tabletop exercise related to our water systems on April 15th and 16th.

16. Technical Services Contract – Lake Forest Improvement District Preliminary Design and Engineering Report

Mr. Lourey said that we are recommending that the board enter into a professional service agreement with Auerbach Engineering Corporation for the purpose of preparing the preliminary design and engineer report for the Lake Forest Improvement District. Moving forward with this project is consistent with our board approved acquisition policy and is a necessary step in dialing in the cost for the homeowners. He pointed out that our legal counsel has determined that there is no conflict in this work. He and Mr. Dykstra recommended that the cost come from Reserves to do this work. There was a discussion on costs being tracked for this issue. Director Henrikson wanted it known that he feels that it isn't fair for all of our constituents to have to pay for this item. Mr. Lourey said that this work is necessary to get done regardless. Director Wilkins said that he felt the same way as Director Henrikson until he figured out how much property tax has been put into the water system elsewhere. He is supportive of taking the next step but not into condemnation until we've got a vote. Director Treabess said that he agrees with Director Wilkins. He said that we have put money into other parts of our District and there is justification to put it into this part of the District, also.

Motion to approve: Reinkens/Wilkins/5-0

17. 2008 Committee Assignments and Meeting Schedule

Director Atchley said that after speaking with each board member, she made a couple of changes to the assignments. It is very important to her to be available to serve the board and the change in management in the District and she was on one too many committees. She went over the changes and asked for comment. The board was fine with the schedule. Ms. Gustafson asked to move the Water and Sewer meeting in February because she will be out of town and she believes there will be some audience participation. It was decided to move the meeting to February 12th at 5:00 p.m. Mr. Bolton said that he would like to have monthly Parks and Recreation meetings. He will schedule a meeting and discuss it there.

Motion to approve: Reinkens/Henrikson/5-0

18. Strategic Planning Session

Ms. Gustafson said that she met with Larry Bienati and requested a proposal from him to run the session. She talked to Robert Rausch and Carol Scofield also. She recommended Larry since he has been working with staff for about 18 months and is current with the issues. The board had a discussion on mediators and what should happen at the session. The individual members will discuss with Larry what they feel should be discussed at the session and he will bring the items to the meeting as part of the overall workshop plan. Following discussion on how to agendize items, Mr. Minasian said that there has to be an agenda item listed if you are going to potentially work in policy on an issue. Ms. Gustafson noted that at this session the board will be giving staff direction on the board's priorities. Management staff will then meet and discuss what needs to be prepared and how long it will take to bring it back to the board for policy setting or direction.

19. General Correspondence

Director Atchley asked if the check that was included in the correspondence was a donation or a payment. It was a payment with a note attached.

L. DIRECTOR'S FORUM

20. Director's Comments

Director Reinkens said that he is concerned with the Homewood Mountain Resort issue and believes that it is very political. He would like the board to stay well informed on the issue. Mr. Minasian suggested writing a letter to the private water company to let them know right from the beginning that we respect them.

Director Treabess said that he was pleased to see how staff worked through the Lake Forest situation to make sure that what we were doing there was the best thing for the general taxpayer, our rate payers, and the people of Lake Forest.

*Director Henrikson asked about people shoveling snow into the road in front of Rosie's after they had already been cleared. Mr. Lourey said that the owners were notified not to do that and were close to being sited by the CHP. Staff is working on educating the owners and will follow up. Director Henrikson also noted that he is happy to see that the District is still working with Cal Trans in widening the ~~road~~ **bike trail** through Sugar Pine to Meeks Bay.*

M. MEETING REVIEW AND STAFF DIRECTION

Meeting Review

Mr. Lourey reported the following items for follow-up:

- *Staff will schedule some meetings and continue to work on the sidewalk vacation property issue. This item will come back to the board.*
- *Mr. Lourey will try to get some of the cost items dialed in on the water company acquisition issue so that he can forecast what expenditures will happen and when.*
- *Ms. Gustafson will coordinate the Strategic Planning Session with the board.*
- *Staff will keep the board informed on any communication on the Homewood Mountain Resort and will get them updated information on what the District may or may not be obligated to provide.*

N. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

22. Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9: One potential case.
23. 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.

24. 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.

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
GOVERNMENT CODE SECTION 54956.9 (a)**

25. TCPUD v. St. Francis Lakeside Homeowners Assn.

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

26. General Manager

O. CLOSED SESSION REPORT

Mr. Minasian reported that in closed session the board gave instructions to the staff and the attorney in regard to the St. Francis litigation and in regard to the administrative proceeding before the Public Utility Commission.

The board moved into the evaluation of the general manager.

26. **Motion to revise the pay stature for Bob Lourey by offering a 5% merit salary increase and a 5% performance incentive for his work last year: Treabess/Reinkens/5-0**

P. ADJOURNMENT

The meeting was adjourned at 11:35 a.m.

Catherine K. Atchley, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton