

REGULAR BOARD MEETING
APPROVED MINUTES

January 19, 2007

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

STAFF PRESENT: Bob Lourey, General Manager
Cindy Gustafson, Assistant General Manager
Jim Dykstra, Director of Accounting
Matt Homolka, Engineer
Bob Bolton, Director of Parks and Recreation
Bill Back, Director of Utilities
Bob Bryant, Executive Assistant to the General Manager
Jack Beckman, Construction Project Manager
Paul Minasian, Legal Counsel
Ginger Charlton, District Clerk

A. CALL TO ORDER – PLEDGE OF ALLEGIANCE

President Reinkens called the meeting to order at 8:33 a.m. Mr. Beckman led the audience in the Pledge.

B. AGENDA AMENDMENTS AND APPROVAL

1. Agenda Deletions, Changes and Audience Requests

There were none.

2. Additions to Agenda

There were none.

3. Approval of Agenda

Motion to approve the agenda as amended: Atchley/Henrikson/4-0

C. PUBLIC FORUM

Jan Brisco, Executive Director of the Tahoe Lakefront Owners Association, reported that the TRPA just released their shore zone study. One of the challenges in the study will be coming to the Board for their discretion and input. She said that risk assessments and protocols would have to be established regarding active and inactive intake lines. The information will be used when a

property owner within a one-quarter mile radius of a drinking water supply line wishes to build or repair a pier. She said that their association would like to work with the District in developing the protocols. They are planning a workshop for water purveyors sometime in early February to develop a standardized protocol for the entire lake and basin.

D. EMPLOYEE RECOGNITION

4. Barbara Smith – 10 year Service Recognition

Bill Back and Debi Black congratulated Barbara Smith on her 10-year service recognition and touted her many accomplishments in the District and CWEA Sierra Section. Barbara responded that she is very proud to work for TCPUD and thanked the Board and staff. President Reinkens presented her with her certificate and the Board thanked her.

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 7-a. Director Treabess asked to pull item 8. Director Reinkens asked to pull item 6.

Motion to approve remaining consent items: Atchley/Treabess/5-0

5. Minutes

December 15, 2006

December 28, 2006

6. Finance Report

Director Reinkens asked for a report on what is happening regarding the letter about the auditors that was provided in the packet. Mr. Dykstra explained what

happened in San Diego and noted that it was determined that there wasn't a problem with the auditors work. He believes they do very high quality work and he is happy with them.

Motion to approve item #6: Reinkens/Atchley/5-0

7. General Manager and Staff Reports
 - a. General Manager
 - b. Sewer and Water Report
 - c. Public Works Report
 - d. Parks Activity Report
 - e. Recreation Activity Report
 - f. Project Development Report
 - g. Assistant General Manager Report
 - h. District Engineer Report

Director Henrikson asked how the succession plan is coming along. Mr. Lourey responded that the 360-degree review process has been completed and the consultant is now working on individual development plans. These plans will come to him and then he will work with the individuals on their development plans. The Board held a discussion with Mr. Minasian on what parts of the succession plan should be discussed in closed or open session. The Board said that they would like to be informed on the overall direction that is given for the District to improve.

Director Henrikson asked how the District is being treated in regards to the Blackwood Pump Station. Mr. Lourey said that staff met and decided it is best to refocus their energy on how to best protect the pump station without the primary concern being the creek itself. He said that any creek restoration work would probably be picked up in a TRPA environmental improvement project done by the Forest Service.

Motion to approve item #7-a: Henrikson/Atchley/5-0

8. Lakeside Trail Phase IV – Pay Estimate #9

Director Treabess asked for clarification on what "elapsed time: on hold" meant. Mr. Beckman answered that the contractor is not being charged working days on the contract due to the suspension of work in the winter months. Thereby, instead of calculating days on the Pay Estimate, a notation is made that we are on hold while work is suspended.

Motion to approve item #8: Treabess/Atchley/5-0

9. Heritage Plaza – Pay Estimate #3
10. Lake Tahoe Wastewater Infrastructure Partnership (LTWIP)

J. RESOLUTIONS/ORDINANCES

11. Amending Resolution No. 06-04, Naming a Member of the South Tahoe Public Utility District Board of Directors to Serve as the Alternate to the Water Purveyor Representative on the El Dorado County Water Agency Board of Directors

Mr. Lourey explained that we have deferred our representation on the El Dorado County Water Agency over the past several years to a member of the South Tahoe PUD Board solely because their presence in El Dorado County, including their stake in the taxes and other financial issues, is much greater than ours.

Motion to approve Resolution #07-01: Atchley/Wilkins/5-0 by roll call vote

12. Resolution Honoring Norma Schwartz

Ms. Gustafson explained that there was an event last Saturday honoring Norma Schwartz and this resolution was presented to her without a signature. She said she hoped the Board would approve this resolution after-the-fact. Director Atchley thanked staff for doing the resolution because it slipped through the cracks and Norma deserves the resolution.

Motion to approve Resolution #07-02: Atchley/Treabess/5-0 by roll call vote

K. GENERAL

13. 2007 Meeting Calendar

The Board discussed what dates would be best for all involved. Mr. Dykstra asked to have the March Finance Committee meeting switched to the 8th. The calendar was decided and a copy is attached to these minutes. Mr. Lourey asked the Board to choose a date for the workshop regarding private water companies. The Board decided to hold the meeting on Friday, February 9th, at 9:30 a.m. Ms. Gustafson said that it's time to have a meeting on community issues. Mr. Bolton went over the items he has thus far for the meeting. Ms. Gustafson will check with the committee members and decide on a date at that time.

14. 2007 Board of Directors Committee Assignments

Director Atchley will replace Director Treabess at the Pre-Agenda Briefing meetings. Director Henrikson's name will be spelled correctly at the top of the page. No other changes needed.

15. WHATT Foundering Membership Renewal

Ms. Gustafson reported that the WHATT membership renewal has arrived. She introduced Rachelle Pellissier, Executive Director of WHATT. Rachelle reported on what has been happening in the past year, their plans for the future, and answered questions of the Board.

Motion to approve \$1,000 membership renewal for 2007: Treabess/Atchley/5-0

16. Management/Supervisory/Professional 2007-2009 Salary/Benefit Proposal

Mr. Lourey went through the proposal and recommended that the Board pass through the appropriate items to this group and extend the pass through to Cindy Gustafson, Jim Dykstra and Ginger Charlton. He explained the costs of the items and answered questions of the Board. Director Reinkens voiced his concern about where the District is going financially with the District's benefit packages.

Motion to approve: Wilkins/Atchley/4-1 (Director Reinkens voting no)

17. General Correspondence

The Board discussed the included correspondence.

18. Reports

Mr. Bolton reported on the trial lease agreement for Rideout that will become effective February 1st at a rate of \$1,000 per month. He noted that the cost is already included in the budget and he is looking forward to test-driving the building and possible programs. The Board requested further information on the parking situation at Rideout before the trial period is over. Director Reinkens thanked him for his work on this project. Mr. Bolton also reported on the portable stage. He has been hearing interest from a lot of different groups in the area to use the stage. It has already been damaged from use and there are no replacement parts available. He has looked at purchasing a new Wenger, which runs about \$118,000. He is hopeful that other organizations in the area could help fund the replacement.

Mr. Back gave an update from Nolte Associates. They are in the final stages of the review of the water model for the potential connection to Tahoe Park Water or Lake Forest Water. They should have their recommendation on what condition the model is in by the end of the month.

Mr. Beckman reported that an ACWA/JPIA risk representative would be on site next week to will do some inspections and training sessions. He also updated the Board on the Harbor Master Pump Station Replacement Project. He said that

they are getting a good response to the bid invites and he will report back again at the next meeting.

Ms. Gustafson reported that she continues to attend Rotary Club meetings and is trying to lend some focus to their work on historical interpretation. She is also providing information to the Prop 50 Review Committee on the Truckee River Trail Improvement Project. She said that we have a fairly good chance of securing some funds for work on the bike trail.

Mr. Lourey reported that the California Tahoe Conservancy is attempting to set up a meeting with TRPA on the Homewood Bike Trail. The tree count is ready and he wants to be sure that TRPA is on board with the potential tree removal before proceeding with an addendum to the CEQA document. Mr. Lourey also reported on a letter from John Falk that was copied to each board member regarding back flow prevention as it pertains to things that come up at the point of sale. Mr. Lourey explained that the District's primary approach to getting enforcement to the backflow program is through public information and surveys to the property owners about their properties so the problems can be corrected. It is only when a property owner doesn't understand or ignores the notices that the District has no choice but to identify it in the point of sale forum. He will respond to Mr. Falk's letter. Director Atchley asked to be informed of how many cases actually happen at point of sale. Mr. Lourey will report back to the Board.

L. DIRECTOR'S FORUM

19. Director's Comments

Director Treabess congratulated staff on the outlet parcel and reported that he sees the public reading the exhibits and looking at the lake there everyday.

M. MEETING REVIEW AND STAFF DIRECTION

20. Meeting Review

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

- *Staff will make appropriate changes to the meeting calendar and committee assignments*
- *Staff will give regular updates on the issues they heard today regarding the lake intakes, surface water, and the Tahoe Water Suppliers Association*
- *Staff will run the proposed agenda for the water system workshop by the Board prior to setting the agenda*
- *Staff will bring back statistics on backflow regarding point-of-sale identification*
- *Reports and discussion on succession planning*
- *Reports on the snow melt area*

N. CLOSED SESSION

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

21. Title: General Manager

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
SUBDIVISION (a) OF SECTION 54956.9

22. TCPUD v. St. Francis Lakeside Homeowners Association

O. CLOSED SESSION REPORT

Regarding item #21, a motion was made to approve the following:

Based on phenomenal performance throughout this past year with some very difficult issues, the Board recommends a performance increase of 5% for the General Manager and the full package including the cost of living as given to the employees. Atchley/Wilkins/5-0

Regarding item #22, direction was given to the General Manager. Mr. Minasian gave a report regarding litigation.

P. ADJOURNMENT

The meeting was adjourned at 11:25 a.m.

Lou Reinkens, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton