

REGULAR BOARD MEETING
MINUTES

February 17, 2006

DIRECTORS PRESENT: President Ron Treabess
Directors Kelly Atchley, Lou Reinkens, Erik Henrikson

DIRECTORS ABSENT: Vice President Ric Winter

STAFF PRESENT: Bob Lourey, General Manager
Cindy Gustafson, Assistant General Manager
Jim Dykstra, Director of Accounting
Matt Homolka, Engineer
Bob Bolton, Director of Parks & Recreation
Bill Back, Director of Utilities
Bob Bryant, Executive Assistant to the General Manager
Jack Beckman, Construction Project Manager
Mike Sexton, Legal Counsel

A. CALL TO ORDER – PLEDGE OF ALLEGIANCE

President Treabess called the meeting to order at 8:30 a.m. and led the audience in the Pledge.

B. AGENDA AMENDMENTS AND APPROVAL

Ms. Gustafson asked to move items 20 and 21 forward. These items will be moved to follow item 3.

Mr. Lourey asked to add item K-25, Resolution #06-11, Designation of Applicant's Agent - FEMA.

Motion to add item K-25: Henrikson/Reinkens/4-0

Mr. Lourey asked to add an item for a request from Drew Briner (Pacific Built) to possibly interview some of our employees who were involved in providing assistance in the July 19th sewer spill incident at NTPUD. Mr. Sexton noted that the time sensitivity on this issue requires that it be added to the agenda. This item will be added between items C and D

Motion to add the Drew Briner item: Reinkens/Henrikson/4-0

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

C. RECOGNITION

20. Resolution of Appreciation for Lake Forest Glen Homeowners Association

Ms. Gustafson explained that the Board wanted to honor the Lake Forest Glen Homeowners Association for allowing the children of our community to use their children's pool for swim lessons. She noted that over 800 children have learned to swim there so far.

Motion to approve Resolution #06-06: Henrikson/Reinkens/4-0 by roll call vote

21. Resolution in Recognition of Lud Spolyar

President Treabess read the resolution out loud to the audience and thanked Mr. Spolyar for his years of service to the children of the community.

Motion to approve Resolution #06-07: Reinkens/Atchley/4-0 by roll call vote

4. Presentations of Appreciation to Parks and Recreation Commissioners

President Treabess thanked the Commissioners and said that they did such a fine job over the years in outreach to the community that the entire District followed suit and now there isn't enough for a full time Commission to do. Consequently, the meetings have converted to "as needed" and the Commission will no longer meet as such. The Board thanked the Commissioners for the effort that they have put in to the Commission. The Board gave heartfelt thanks to Lee Massick (9 years), Eric DesLauriers (7 months), and Sue Rae Irelan (3 years). They also thanked the Commissioners that were unable to attend: John Hyché (7 years), Gary Davis (3 years) and Bill Sandeman (3 years).

Mr. Lourey reported that he attended the Annual Community Awards and wanted to announce awards that were given to the District and it's staff. They were:

Michelle Martland – Employee of the Year (TCPUD)

Adam Going – Volunteer of the Year (TCPUD)

Sue Rae Ireland – Citizen of the Year

Cindy Gustafson – Distinguished Community Service Award

TCPUD – Co-recipient of Arts Supporter of the Year

D. FINANCIAL

All items covered under consent calendar.

ADDED ITEM – BRINER REQUEST

Mr. Lourey stated that Drew Briner is representing Pacific Built in relationship to the spill incidence in Kings Beach and he is preparing to go in front of the Lahontan Board. Mr. Briner presented a public information request to the District, which the District complied with; however, he has asked that he be allowed to interview some of the employees that were involved in the assistance to North Tahoe PUD. Mr. Lourey said that he discussed the request with Mr. Sexton who felt that the Board should discuss the issue before giving direction to the General Manager.

Mr. Briner reported that Lahontan has filed a complaint for civil liability against Pacific Built and the property owners. They are trying to get as many facts as they can now. He explained what would happen at the hearing with the Lahontan Board and said that he is requesting to talk to employees that were involved in the incidence purely to solicit their observations of what they saw out there. He only wants facts, not opinions.

Director Atchley voiced her concern that the employees have no protection in the long run for doing the right thing.

Director Henrikson said that he would like to see Mr. Briner get all the facts he needs but wants to be sure that the District won't incur legal expenses later because of helping. He asked Mr. Briner to state for the record that he would pay the cost of defending our employees if needed. Mr. Briner could not agree to this request.

Mr. Lourey said that his apprehension for providing the employees for the question and answer session had nothing to do with feeling that any of our employees did anything wrong. He was concerned about the District voluntarily being involved in something that has the potential for blame shifting, especially when it is to our neighboring agency who we have come a long way with to form good relations.

It was the consensus of the Board that Mr. Sexton talk to some District staff to get a feel for what factual matters they may have observed. Mr. Lourey will talk to North Tahoe PUD management to see if they object to making people available. When a decision is made, Mr. Lourey will contact Mr. Briner.

E. NOTICE OF PUBLIC HEARING

President Treabess opened the public hearing at 9:00 a.m. He explained the resolution required to establish the appropriation limits for the 2006 fiscal year and asked for any comments from the public. There being none, the public hearing was closed at 9:05 a.m.

5. Resolution of the Tahoe City Public Utility District Setting Appropriation Limits for 2006 Fiscal Year

Motion to approve Resolution #06-02: Reinkens/Atchley/4-0 by roll call vote

F. PROJECTS

6. McKinney Drive Steel Waterline Replacement Project Funding

Mr. Back explained the history of this project and said that staff hoped for the Board's approval for Mr. Dykstra to pursue alternative funding so that they could move forward with the funding process and try to get the project done in its entirety. Mr. Dykstra explained the funding and believes that the District can get the financing.

Motion to approve alternative funding for this project: Reinkens/Atchley/4-0

7. Resolution Calling for Sealed Bids, McKinney Drive Steel Waterline Replacement Project Funding

Mr. Homolka said that in order to help solicit bids, they have given the contractor a limited amount of time (90 days) but have opened the start date from May 1 to July 1.

Motion to approve Resolution #06-03: Atchley/Henrikson/4-0 by roll call vote

G. WATER AND SEWER UTILITIES

All items covered under consent calendar.

H. PARKS AND RECREATION

8. North Tahoe High School Upper Field Light Repairs

Mr. Bolton explained the need to replace the cross beams at the upper field and recommended approval of the bid from Allegro General Contractors so that the work

could be finished before softball season begins. Mr. Lourey recommended taking the funding out of the District's Reserves.

Motion to approve the bid of Allegro General Contractors with funding out of Reserves: Atchley/Henrikson/4-0

9. Fairway Community Center Window Renovation

Mr. Bolton explained the renovation and noted that the project is grant funded.

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

10. Draft Memorandum of Understanding with Tahoe City Downtown Association

Ms. Gustafson explained the need for an MOU regarding task responsibility for the 2006 summer music series. She explained that under item 4 - Responsibilities, a-3 - Provides hospitality, meals and lodging as required by talent contracts, the words meals and lodging need to be deleted. Meals and lodging will be TCDA's responsibility.

Motion to approve moving ahead with the MOU: Atchley/Reinkens/3-1 (Henrikson voted no)

I. PUBLIC FORUM

There was no public comment.

J. CONSENT CALENDAR

Mr. Lourey asked to pull item 13-G for discussion.

Motion to approve remaining items: Atchley/Henrikson/4-0

11. Minutes
- January 20, 2006
12. Finance Report
13. General Manager and Staff Reports
- a. General Manager
 - b. Sewer and Water Report
 - c. Parks Activity Report
 - d. Recreation Activity Report
 - e. Project Development Report
 - f. Assistant General Manager Report
 - g. District Engineer Report

Regarding item 13-g, District Engineer Report, Mr. Homolka explained that he is having a problem with TRPA on the permit application for the Harbor Master Sewer Pump Station, but is expecting a letter from them soon. He explained that there are new people working at TRPA and it is slowing down most of the projects. He noted that all the other permits are going along very well. He also reported that an agreement was done and was sent to the Marina.

Motion to approve the District Engineer Report: Atchley/Henrikson/4-0

14. Approval of Purchase of an Athletic Field Conditioner
15. Sequoia Trail Crossing, Partial Release of Retention
16. Lakeside Trail 2B, Pay Estimate #2
17. Upper Highlands Water Tank, Notice of Completion

K. RESOLUTIONS/ORDINANCES

18. Resolution Appointing Members of the South Tahoe PUD Board Directors to Serve as Water Purveyor Representative and Alternate on the El Dorado County Water Agency Board of Directors

Motion to approve Resolution #06-04: Atchley/Henrikson/4-0 by roll call vote

19. Resolution of Appreciation for Obexers Boat Company

Ms. Gustafson asked that this item be tabled until May.

22. Resolution – Authorized Representative for a Financial Assistance Application

Motion to approve Resolution #06-08: Henrikson/Atchley/4-0 by roll call vote

23. Resolution – Local Match Loans

Motion to approve Resolution #06-09: Reinkens/Atchley/4-0 by roll call vote

24. Resolution Nominating its ACWA/JPIA Board Member to the Executive Committee

Motion to approve Resolution #06-10: Atchley/Henrikson/4-0 by roll call vote

25. Resolution #06-11 – Designation of Applicant's Agent Resolution for FEMA

Mr. Bryant explained the resolution and recommended approval.

Motion to approve Resolution #06-11: Henrikson/Atchley/4-0 by roll call vote

L. GENERAL

25. Reports

Director Henrikson updated the Board on TTSA. He said that after the flood of 1997, a bank of the river was rip-rapped because the blue house below Big Chief was in danger. Now the river shoots straight at a bank on the other side and the water has eroded the bank by 6-7 feet and came within 2 feet of the transport line for the TTSA line out of Truckee. TTSA had to hire contractors to armor the side of the road and to rip-rap the side of the river for 200 feet, 15 feet tall.

Mr. Back handed out a draft of the Urban Water Management Plan that is required every five years by the Department of Water Resources. He reported that it would be on the March agenda along with a Public Hearing.

Mr. Homolka reported that on February 8th the Highlands water tank went on line and everything went well.

Mr. Bryant updated the Board on FEMA. State OES accepted the Request for Assistance Application on Wednesday and the resolution will go in now. He noted that the District is right on time and the next thing that will happen is that FEMA will assign the District a coordinator and the State and Federal representatives will meet with staff and approve the District's application, hopefully.

Mr. Lourey updated the Board on approaching Cal Trans to include our Homewood Bike Trail and Sugar Pine to Meeks Bay Project as part of their Highway Improvement Project. He will update the Board further as he receives more information.

Ms. Gustafson reported that the first caucus meeting for Recreation would be on Tuesday, Feb 28, 6:30 – 8:00.

Mr. Sexton asked to re-open the added Briner item so that he could change his recommendation to the Board. He said that he had talked with some staff since his recommendation and would like to change it. He recommended that Mr. Lourey contact NTPUD and see if they want TCPUD to make employees available rather than not objecting to the idea. Then if NTPUD is going to make their employees available, TCPUD should make their employees available also. If NTPUD doesn't want to do that, then TCPUD should wait for a subpoena.

26. General Correspondence

There was no comment.

M. DIRECTOR'S FORUM

27. Director's Comments

Reinkens: Director Reinkens asked if the District could be liable since the West Shore Café does not have a back-up power supply for the pump for their kitchen, which is below lake level. Staff said that the District is not liable but will follow up on the question.

Henrikson: None.

Atchley: Director Atchley commended Jack Beckman and staff that worked on the Safety Program. She said it is well thought out and exceptionally well written.

Treabess: Director Treabess complimented staff. He said he is always hearing nice comments from members of the community on the efforts of staff at TCPUD and the positive influence they give to the community.

N. MEETING REVIEW AND STAFF DIRECTION

Mr. Lourey said that staff would follow up with the County on Topol's kitchen and pump. He will reschedule the Parks and Recreation Commission Resolution so that the three Commissioners that couldn't attend this meeting are honored. Mr. Lourey also reported that the NTPUD Board does not want to meet with our Board regarding the JPIA until they agendaize and discuss the item among themselves at their March meeting.

O. CLOSED SESSION

Mr. Sexton reported the following from closed session:

**Conference with legal counsel – anticipated litigation.
Significant exposure to litigation pursuant to subdivision (b) of Government Code section 54956.9.**

28. One potential case involving a dispute as to the responsibility for maintenance of facilities on property that was annexed to the District in the 1970's.

The Board received an update from General Counsel and staff. No action was taken.

Conference with legal counsel – threatened litigation or administrative proceedings – Government Code Section 54956.6.

29. One potential case involving the removal from public record of the Notice and Certificate of Unpaid Water Charges recorded on September 29, 2004, as Series #2004-0128854, Placer County Records.

The Board gave direction to General Counsel and staff.

**Public Employee Appointment/Employment/Performance
Evaluation/Compensation – Government Code Section 54957**

30. General Manager

The Board put this item over to the March 17 meeting.

P. OPEN SESSION – BOARD MEMBER TRAINING

31. Ethics

The Board began a training on Ethics with General Counsel at 11:00 a.m.

ADJOURNMENT – 1:45 p.m.

Ron Treabess, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton, District Clerk