

REGULAR BOARD MEETING
MINUTES

March 17, 2006

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

STAFF PRESENT: Bob Lourey, General Manager
Cindy Gustafson, Assistant General Manager
Jim Dykstra, Director of Accounting
Matt Homolka, Engineer
Layne Van Noy, Recreation Superintendent
Tony Lalotis, Utilities Superintendent
Mike Sexton, Legal Counsel (by telephone)

A. CALL TO ORDER – PLEDGE OF ALLEGIANCE

President Treabess called the meeting to order at 8:40 a.m. and led the audience in the Pledge.

B. AGENDA AMENDMENTS AND APPROVAL

1. Agenda Deletions, Changes and Audience Requests

None.

2. Additions to Agenda

None.

3. Approval of Agenda

Motion to approve agenda: Atchley/Henrikson/5-0

C. RECOGNITION

4. Award to TCPUD in recognition for their support of the Sierra Water Guardian – The California Water Environment, Sierra Section Newsletter – presented by Barbara Smith & Brad Stocking

Barbara Smith and Brad Stocking reported that they have both completed their terms with CWEA Sierra Section and wanted to show their appreciation to the Board and the District for their support for the Section and their newsletter. President Treabess thanked them for their participation in the Sierra Section and said they deserved an award for helping make the greater community stronger.

D. FINANCIAL

5. McClintock Accountancy Corporation 2005 Financial Audit Findings

Mr. Dykstra told the Board that he felt the report was thorough and positive. He introduced Bob McClintock and Tom Connell who presented the report and answered questions of the Board.

Motion to accept: Winter/Reinkens/5-0

6. Transfer Between Funds, Retained Earnings Designation and Adoption of 2005 Financial Statements

Mr. Dykstra explained the financial statements and noted that in the future the District anticipates that it will need to finance a portion of replacement and rehabilitation needs. Mr. Lourey responded that it is staff's intention to revisit this issue yearly and make sure that we don't lose sight of the long term and where we are heading in the trends.

Motion to approve: Atchley/Henrikson/5-0

H. PUBLIC FORUM

Ms. Gustafson said that she had expected that Dave Wilderotter from the Tahoe City Downtown Association was going to come talk to the Board about the Farmers Market taking place on Commons Beach. She reviewed the e-mails that were being circulated with concerns about this issue. She said that TCDA wants to have an open public process along with the PUD to flush out alternative sights. Ms. Gustafson asked the Board if they felt comfortable with where staff is going on this issue or if they would like to make it an agenda item. Mr. Reinkens said that he is comfortable with staff handling this issue but felt that the Board should take the pressure off of staff and have a public hearing. Ms. Gustafson said that if the board feels a public hearing is necessary, it needs to be done at a special meeting because of the timelines. Mr. Treabess said that he feels there should be an opportunity for the community to attend something before the next regular board meeting. Staff will work on a special board workshop on April 5th at 5:00 p.m. Ms. Atchley asked for a history piece on last year's concerns at the workshop.

E. NOTICE OF PUBLIC HEARING - PROJECTS

President Treabess opened the hearing at 10:00 a.m. and explained that the hearing was being held to hear any concerns about the plan by any audience or board members. Mr. Lourey noted that the Department of Water Resources requires that the plan be updated every five years. Ms. Atchley noted that she enjoyed reading the plan because it was not written like a government document and could be read and understood by an average citizen. President Treabess closed the hearing at 10:05 p.m.

7. Resolution – Adopting the 2005 Urban Water Management Plan

Motion to approve Resolution #06-12: Atchley/Reinkens/5-0 by roll call vote

I. CONSENT CALENDAR

Director Atchley asked to pull item 10-E; Director Treabess asked to pull item 10-B.

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

8. Minutes
 - February 17, 2006 (with John Hyche correction)
9. Finance Report
10. 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 10-b, Sewer and Water Report, Director Treabess requested that the Public Works Department Activity Report either be listed as a report in the Consent Calendar or referred to as part of the Sewer and Water Report.

*He then asked what the following meant in the Public Works Department Activity Report: **West Shore Café: Working with County related to occupancy permit being issued to the Café without District final approval.** Mr. Lourey said that Placer County Environmental Health had, in the past, been signing off on permits even though the Public Utility District had not signed off on certain issues. The District had raised an issue with Placer County regarding the gas line to the West Shore Café being too close to the sewer line going into the café and did not want to be responsible for signing off on a sewer line that could become the conduit that could ultimately lead to an explosion. Debi Black and Mike Sexton sent a letter voicing their concern to the County regarding the District wanting to be indemnified on this issue. They have not received a response. Mr. Lourey said that the District is in the process of trying to clean up the past as well as moving forward on this issue. Mr. Lourey will keep the Board informed as to what happens with the letter that was sent to the County.*

Director Reinkens asked if there was any new information about the pump for the sewer line at the West Shore Café. Mr. Lourey responded that if the electricity went out, the pump wouldn't work because it does not have any backup power. That becomes an environmental health issue and they would tag it as having to close down.

Motion to approve: Atchley/Henrikson/5-0

Regarding item 10-e, Director Atchley asked if the District is still proceeding with the window replacement project at the Fairway Community Center, even though it is marked N/A in the Project Development Report. She was assured it is.

Motion to approve: Atchley/Henrikson/5-0

11. Upper Highlands Water Tank
 - a. Change Order #7
 - b. Pay Estimate #8
 - c. Final Release of Retention
12. Upper Highlands Water Tank
Substitute Performance Bond

J. GENERAL

13. Reports

Mr. Lourey updated the Board on trying to speed up the improvements on the Homewood bike trail. Cal Trans has determined that the bike trail and realignment of the Homewood area will fit within the existing right-of-way and are working on cost estimates. We are scheduling a meeting with the planning partners and TRPA regarding this issue and, if everything falls into place, the conservancy will work the funds through Cal Trans and have the bike trail constructed with the highway improvements in 2008. Director Reinkens asked that Jack McKenna of the Homewood Homeowners Association be kept up-to-date on this issue.

Director Treabess asked about coordinated traffic control requirements for road closure on Mackinaw. He had concerns that Mr. Correa is being contacted for the information and he may try to work out a solution without the District being involved. Mr. Homolka said that the District is still working with the County on the road closure requirements. He has prepared a traffic plan, which will be communicated to the neighborhood. Ms. Gustafson said that a public meeting is needed on this issue to get input from the all affected parties.

Mr. Laliotis reported that all of the commercial accounts are being switched over to radio-read systems. There are 116 installed along the route and this will eventually save the District a lot of time. Another important aspect of this system is that leaks can be detected on the customer's side.

Ms. Gustafson said that there will be impacts with the Mackinaw property owners and we will be holding a public meeting in a workshop setting. She also reported that the Truckee River trail will be closed most of the summer but will have an alternative on the southbound shoulder. There will be a full press release and staff will work with the Squaw Valley community and resorts to let them know.

Mr. Lourey reported that TTUSD has declared Rideout Elementary as being surplus and has contacted all public agencies to see if there is a desire to lease the facility. Staff has toured the facility and believes that it would be a perfect facility from which to run the recreation program. They will have a meeting with the Timberland homeowners and then possibly schedule a special board meeting and potentially place a bid with the school district.

14. General Correspondence

There was no comment.

15. North Lake Tahoe Recreation Center Authority - JPA

Mr. Lourey placed this item back on the agenda for further discussion and noted that the NTPUD Board decided to leave the JPA in place for a possible discussion with the

TCPUD at a joint board meeting. Director Winter said that he is very concerned about the fiscal impact that TCPUD could incur if the JPA isn't dissolved. He then made a motion to dissolve the JPA immediately. Director Henrikson seconded the motion for the purpose of discussion. He said that he thinks the JPA has outlived its usefulness and if we are going to do something in the future, we can use a different vehicle. Mr. Sexton noted that the motion should include the withdrawal of TCPUD from the JPA. That, by operation of the agreement, will result in the termination. Mr. Lourey asked for an addition to the motion that this is no way precludes discussion with the NTPUD Board regarding potential joint recreation endeavors. Director Treabess asked that the two Boards meet to discuss what was wrong with the JPA and what could possibly work before disbanding the JPA. If at that meeting both Boards feel the same, the JPA could be dissolved jointly. After much discussion and suggestions for wording, Director Winter amended his motion to the following: ***“The Joint Powers Agreement between TCPUD and NTPUD has completed what it was set up to do. The TCPUD would like to withdraw from the JPA and let it dissolve enabling the districts to be able to get together in the near future with the direction of staff to continue to look at other joint ventures with the goal of providing regional recreation opportunities for all.”***

Motion to approve: Winter/Henrikson/5-0

K. DIRECTOR'S FORUM

16. Director's Comments

- Atchley:* Director Atchley asked that the Tahoe World run an article for community awareness on the magnitude of projects going on in the District.
- Henrikson:* Director Henrikson asked for an update on customer deed restriction for transfer of water facilities from Lake Park Terrace Water Company. Mr. Sexton said that there is no way for TCPUD to know if the water company was properly formed as a corporation, etc., without doing a lot of background work. He said that he and Mr. Minasian are working to provide an additional layer of protection for the district from being subject to responsibility for things such as contamination of a well. Since there were several issues that the Board had concerns with and this item was not listed as an agenda item, Mr. Lourey said that these concerns would be discussed further at the Sewer and Water Committee meeting.
- Reinkens:* Director Reinkens stated a concern about the dam at Quail Lake and what the District's responsibility is if the dam fails. Mr. Lourey replied that a study was done on what would happen if the dam failed, we have regular inspections on the dam, and we have insurance. There has also been discussion about turning over the dam and the water rights there to Homewood Mountain Resort. Mr. Laliotis added that during the wet season the dam is open to let the water out until May 1.
- Winter:* Director Winter reported that next month's meeting would be his last as a Director. Because of this, Director Treabess asked if there was a chance of switching the date of the meeting so that he could attend. Two dates were chosen as possibilities, April 13th and 19th, and staff will work to see what works best.
- Treabess:* Director Treabess asked to look at a different way to run for seats at election (at-large instead of seated). Director Atchley asked for staff to look at the historic perspective of why the election is the way it is.

L. MEETING REVIEW AND STAFF DIRECTION

Mr. Lourey stated the following:

- *He will agendize the property tax revenue from non-water customer issue on the next regular board meeting agenda.*
- *A special board workshop will be scheduled regarding the Farmers Market on Commons Beach to discuss the impacts, mitigation, and where we are headed with it.*
- *Mr. Beckman will follow up with Mackinaw Road property owners and businesses regarding Lakeside Trail IIB construction, road closures and traffic plan.*
- *He will inform Steve Gross and all other appropriate people about the withdrawal from the JPA.*
- *He will add to the Sewer and Water Committee the issue of water facility transfers and liability issues and some historical information to the Committee for direction.*
- *He will agendize the issue of board seats and the at-large issue on the next agenda.*
- *He will work on a guest editorial for the Tahoe World on TCPUD projects.*

N. CLOSED SESSION REPORT

Mr. Sexton reported the following from closed session:

Conference with Labor Negotiators - Government Code Section 54957.6

17. District Representatives – Robert Lourey, Jim Dykstra and Cindy Gustafson

The Board gave direction to the negotiators.

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

18. General Manager

The Board reviewed the General Manager's performance and adjusted compensation for a 5% increase in both performance and merit

Conference with Legal Counsel –Anticipated Litigation Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9

19. 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.

Direction was given. No action was taken.

Conference with Legal Counsel – Threatened Litigation or Administrative Proceedings – Government Code Section 54956.6.

20. 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.

Direction was given. No action was taken.

O. ADJOURNMENT – 1:20 p.m.

Ron Treabess, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton, District Clerk