

SPECIAL BOARD MEETING
APPROVED MINUTES

March 30, 2007

DIRECTORS PRESENT: Directors Erik Henrikson, Dan Wilkins, and Ron Treabess
STAFF PRESENT: Bob Lourey, General Manager
Jim Dykstra, Director of Accounting
Matt Homolka, Engineer
Bill Back, Director of Public Works
Jack Beckman, Construction Project Manager
Ginger Charlton, District Clerk

A. CALL TO ORDER

Director Henrikson called the meeting to order at 8:10 a.m.

B. PUBLIC FORUM

No public input.

C. GENERAL

1. Caporicci and Larson Certified Public Accountants 2006 Financial Audit Findings

Mr. Dykstra introduced Nasi Raissian and Jessica Wu, who gave a power point presentation on their findings and answered questions of the Board. They went over their recommendations to the District and reported that there were no significant findings for 2006.

Motion to approve: Treabess/Wilkins/3-0

2. Approval of 2006 Basic Financial Statements and Single Audit Reports

Motion to approve: Treabess/Wilkins/3-0

3. Resolution of Intent to Finance Certain Capital Improvement Projects

Mr. Dykstra explained the need for Resolution #07-05 and recommended approval.

Motion to approve: Wilkins/Treabess/3-0 by roll call vote

4. LAFCO Elections – Placer and El Dorado Counties

Director Henrikson asked the members present if they had a preference for ranking the El Dorado LAFCO nominees. After discussion, the Board agreed that Michael Cooper would be their first choice, and Mr. Lourey would rank the rest with water district nominees being first.

Motion to rank Michael Cooper #1 with Mr. Lourey ranking the remaining nominees based on water first: Wilkins/Treabess/3-0

Director Henrikson asked about the Placer LAFCO nominees.

Motion to vote for Duane Frink: Wilkins/Treabess/3-0

D. WATER AND SEWER UTILITIES

5. Award of Bid – Marlette Drive Water Line Replacement Project

Mr. Beckman explained the bid opening. He noted that responses are improving and four bids were received for this project. He noted a typo in the packet - Granite Construction Company should have been listed as \$527 thousand. He recommended to identify the three low bidders as Suter Construction (#1), Clauss Excavation, Inc. (#2), and Longo Incorporated (#3). He asked for approval to enter into a contract with Suter Construction at \$338,247.50. Director Wilkins began a discussion on tax allocations and where those dollars go. He asked if this project's funding would borrow against tax dollars or use them. Mr. Lourey recommended stating that the funding be taken out of the infrastructure reserves as a placeholder until the Board can hold a workshop to discuss re-evaluating the direction of how property taxes are used in the future. That way the Board would be reminded to address the funding issue during the '08 budget process. Director Wilkins clarified that he is basically looking at if the capital replacement cost of the distribution system is a capital cost or an operating cost and should these kinds of projects be funded through rate base or property tax?

Motion to approve entering into contract with Suter Construction and taking the funding out of the infrastructure reserves: Wilkins/Treabess/3-0

6. Professional Services Agreement – Marlette Drive Water Line Replacement Project Inspection Services with Auerbach Engineering Corporation

Mr. Beckman explained Task Order No. 5 and recommended approval. The Board asked why in-house staff couldn't handle this instead of using Auerbach. Mr. Homolka explained that Jon Leroy wasn't hired as an inspector. He is supporting other projects as an engineer and is also training to take over Mr. Beckman's job duties. Mr. Lourey agreed that he believes that with the District's

current workload issues this agreement with Auerbach Engineering is necessary. Director Henrikson noted that he doesn't want the District to lose the skills that he feels Utility District's should possess such as replacing and inspecting water lines.

Motion to approve: Wilkins/Treabess/3-0

E. NOTICE OF PUBLIC HEARING

Mr. Dykstra opened the public hearing at 9:50 a.m. and explained the purpose of the hearing. There being no public present, he closed the hearing at 9:52 a.m.

8. Resolution of the Tahoe City Public Utility District Setting Appropriation Limits for the 2007 Fiscal Year

Motion to approve Resolution #07-07: Wilkins/Treabess/3-0 by roll call vote

7. Resolution to Call for Bids for the Dollar Point Meter Completion Project

Mr. Homolka explained the project and recommended approval of Resolution #07-06. Mr. Lourey explained that the Sewer and Water Committee's preference is to not start billing on a metered rate until an area is as complete as possible to having 100% meters. Therefore, the District has changed from installing meters all over to working on specific areas until they are complete. Director Wilkins said that he thinks that how the District is paying for this type of project now is going to affect the District later if it acquires private water systems. If the District is installing meters out of property taxes, then it probably should pick up the meter costs for any private water systems it picks up.

Motion to approve with future consideration of funding: Wilkins/Treabess/3-0 by roll call vote

F. ADJOURNMENT

The meeting was adjourned at 10:07 a.m.

Kelly Atchley, Vice President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton