

BOARD MEETING  
APPROVED MINUTES

April 17, 2009

DIRECTORS PRESENT: Vice President Dan Wilkins  
Directors Ron Treabess, Lou Reinkens, and Judy Friedman

STAFF PRESENT: Cindy Gustafson, General Manager  
Jim Dykstra, Director of Accounting & Employee Services/Treasurer  
Alan Harry, Director of Development and Public Information  
Tony Laliotis, Director of Utilities  
Matt Homolka, District Engineer  
Bob Bolton, Director of Parks and Recreation  
Tony Soares, Legal Counsel  
Ginger Charlton, District Clerk

**A. CALL TO ORDER – PLEDGE OF ALLEGIANCE**

Vice President Wilkins called the meeting to order at 8:30 a.m. and led the audience in the Pledge. Ms. Gustafson introduced Tony Soares and explained that President Henrikson was absent because he had a mandatory training to attend.

**B. AGENDA AMENDMENTS AND APPROVAL**

1. Agenda Deletions, Changes and Audience Requests

Director Wilkins said that staff asked to continue item #9, Bike Trail Maintenance Workshop, to a later agenda.

2. Additions to Agenda

There were no additions.

3. Approval of Agenda

**Motion to approve the revised agenda: Treabess/Reinkens/4-0**

**C. PUBLIC FORUM**

There was no comment.

**D. FINANCIAL**

4. Caporicci and Larson Certified Public Accountants 2008 Financial Audit Findings

Mr. Dykstra introduced Gary Caporicci, senior partner and co-founder of Caporicci and Larson, and Priscilia Octarina, Audit Manager, to the audience. They gave a presentation on

the financial audit findings and answered questions of the Board. Mr. Caporicci said that PERS put our District into a pool with other small entities and they don't provide separate information to Districts. Ms. Gustafson said that staff could occasionally prepare an actuarial report of our Group based on a best guess by Mr. Dykstra.

Mr. Dykstra went over the charts in the report and explained the numbers. Director Reinkens congratulated staff on the excellent presentation and for getting all the systems ready to generate the reports. He said that there are key things that need to be tracked by internal management controls for savings. Ms. Gustafson said that she and Jim will look at benchmarking and what indicators they could give the Board. She was concerned that on a month-to-month basis it might become micro-managing by the public or the Board. Mr. Dykstra said that they could do a presentation on what tools management has and uses monthly. Director Reinkens said that the Board needs to set the tone for how they want the business run and then provide the necessary tools.

Director Wilkins added that when the Board establishes a new priority for staff, they need to ask staff what other work is not going to get done in order to add it. Director Reinkens asked if we are getting to the point of micromanaging with our committees. Some of the Board felt they were.

Director Wilkins asked if it would be possible to break out sewer and water separately on the pie chart next year to track paying off debts for water distribution projects from everybody's general property tax. Mr. Dykstra said it would. Director Reinkens asked for staff to prepare an allocation pie chart.

**Motion to approve the transfers from General Fund: Wilkins/Treabess/4-0**

5. Approval of 2008 Basic Financial Statements

Mr. Dykstra said that four of the Board members attended the Audit Committee meeting where they did a pretty lengthy walkthrough of the financials. Director Wilkins asked if any of the rest of the Board had any changes they felt needed to be made. Director Reinkens said that he felt it was a very good report.

**Motion to approve the 2008 Basic Financial Statements: Reinkens/Treabess/4-0**

**E. PROJECTS**

All items covered under consent calendar.

**F. SEWER & WATER UTILITIES**

6. Lake Tahoe Community Fire Protection Partnership: Intergovernmental Grant Administration Agreement between TCPUD and STPUD

Mr. Harry said that we need to enter into this agreement with South Tahoe Public Utility District (STPUD) in order to access the money from the Omnibus Appropriations Act of 2009. He added that the other agencies within our area have already approved this agreement. Tony Soares said that he had a concern with item 3-B, which stated that: "This Agreement may be terminated by either party, for any reason, with ninety (90) days written notice to the business address of the non-canceling parties." Ms. Gustafson said that she contacted STPUD regarding this statement and they asked that all agencies sign the same MOU this year. They said that they are willing to change it for next year. Director Wilkins said that

this is pretty low risk because the likelihood that an agreement is going to get cancelled is very low. If it did get cancelled, we'd be spending the money out of local sources anyhow because we are putting the money into high priority projects. Mr. Homolka said that up to the point of signing a contract, we can always rescind it subject to funding. Director Reinkens said that there should be provisions included to go after them if they spend our money. Director Wilkins said that he feels it is very low risk and he suggested that we move in this direction and tweak the wording next year. He also advised not to pass the clause through to the contractor.

**Motion to approve the Intergovernmental Agreement and ask to work on Section 3-B in next year's Agreement: Treabess/Reinkens/4-0**

7. Condominium Water Meter Installation Project

Mr. Homolka gave an overview of last week's Sewer and Water Committee meeting and showed where the meters could be installed in a condo complex. He said that their approach to metering these projects is to master meter the entire condominium complex and then to bill each individual owner their equal share of that consumption plus the base rate. He said that there are some condominium complexes where a master meter won't work so block metering needs to be done. At these units, all the meters will be added together and the owners will be billed in the same way as master metering. He was asked why the individual units weren't billed separately instead of averaging out the costs. He replied that the buildings would need to be re-plumbed and the services would need to be brought out to the exterior. The costs would be higher because they would have to pay the costs for re-plumbing and they would have to pay commercial rates for the common areas.

Director Reinkens asked if we would be working with the Homeowners' Association Boards or the individual property owners. Mr. Homolka replied that we would be working with the site manager or whoever they want us to deal with. Director Reinkens said that he is concerned that after billing began, the homeowners would decide that they didn't want the configuration. He wanted to be sure that owners were notified ahead of time that if they want to change the configuration, it will be very costly to them because they would have to pay to reconfigure the plumbing for the entire building.

Director Friedman said that she feels that we need to communicate directly with the homeowners so that they aren't hearing things that have gone from the managers to the Board and finally to them. They should get the information directly from the source. Ms. Gustafson said that she is trying to attend an HOA meeting for each condominium complex to speak with the homeowners and answer their questions. A mailing is also going out to explain the project to them. Mr. Homolka said that most of the HOA's are representing that we can enter into the agreement with them. He added that the billing method is covered in the ordinance that was recently adopted. The agreement is primarily around the leakage adjustment, clarifying ownership, and clarifying the maintenance responsibilities.

8. Water Conservation Ordinance and Measures

Mr. Laliotis said that it is imperative to rework our Water Conservation Ordinance and begin to develop a water conservation program and philosophy at the District. He said that the District currently has a very basic Water Conservation Ordinance (#106) that covers low-flow fixtures, but doesn't get into the teeth of where water conservation has gone over the last twenty years. He reviewed ordinances from other districts and put together what he believes our District needs. He reviewed the major highlights of the revised ordinance and programs that the District is putting together to help customers with conservation. He said that teeth

will be built into the ordinance so that if we see District-wide water shortages, we can take immediate and aggressive action to deal with health and safety issues that come along.

Virginia Graham asked what the District would do if someone was grossly overusing water. Mr. Laliotis said that there would be a progressive policy in place where we would take steps to get them to quit. Director Reinkens asked to see customer leakage percentages each month so a history can be developed.

## **G. PARKS AND RECREATION**

### **9. Bike Trail Maintenance Workshop**

This item was continued to a future meeting.

### **10. Lake Forest Boat Ramp Quagga Mussel Update**

Mr. Bolton reported that a fee schedule was adopted by TRPA for the Quagga mussel inspections that will go into effect on June 1<sup>st</sup>. Beginning May 1<sup>st</sup>, they will provide 14 hours of inspection services daily (6:00 a.m. – 8:00 p.m.). He said that our community typically uses the ramp earlier in the day and later in the evening and it's important that we try to figure out how to supplement those hours. He contacted WCB (Water Conservation Board) about allowing us to charge a launch fee of \$10 and dropping the parking fee. He got a verbal approval from them last Tuesday. This will provide additional revenue for the boat ramp and will help offset the cost of an additional seasonal employee that we will need to keep the ramp open.

Mr. Bolton discussed doing a collection of both the launch and inspection fees at the kiosk to try to keep the frustration level down at the ramp. He said that we need to make the seasonal pass somewhat equal to the increase of costs and recommended fees that were on a hand-out that he provided. Ms. Gustafson said that we need to take action today and the item came up after the agenda was posted. The season pass needs to be in place before the Memorial Day weekend and our next meeting is after the weekend.

Director Reinkens made a motion to add the season pass item to the agenda as an emergency item. Director Treabess seconded. 4-0. We found out Tuesday that we were going to be able to charge for launching.

**Motion to add the season pass item to the agenda as an emergency item because the District found out Tuesday that we were going to be able to charge for launching: Reinkens/Treabess/4-0**

Mr. Bolton said that all of the seasonal staff will be trained through TRPA to become certified inspectors so that when the TRPA inspectors aren't there, we would take over the responsibility. Director Reinkens voiced a concern for liability on the inspections. Mr. Bolton said that an MOU is being developed with TRPA and that issue will be addressed in it.

The Board discussed the recommended season pass increases. Director Treabess said that residents are already paying taxes that contribute to the ramp and suggested a bigger differential in the rates between residents and non-residents. He recommended the following prices for season passes:

Annual pass for non-residents:	\$325
Annual pass for TCPUD residents:	\$275
Summer pass for non-residents:	\$225
Summer pass for TCPUD residents:	\$175

Director Reinkens suggested that the summer pass include May 18 through Labor Day weekend.

Mr. Bolton said that this information is very new and apologized for this item being so seat-of-the-pants.

Director Reinkens made an initial motion with second by Director Treabess. After friendly amendments from other members the motion became the following:

**Motion to do away with the current annual pass charge of \$110; convert the current \$10 parking fee to a launch fee; make the summer pass good from May 18 through Labor Day weekend; approve revised charges subject to getting something to put the risk transfer back on the boat owner: Reinkens/Treabess/4-0**

Director Wilkins asked to bring this item back for review next winter after staff has been able to get statistics.

#### H. CONSENT CALENDAR

Director Treabess asked to pull the Sewer and Water Committee minutes of March 12 and the Community Issues Committee minutes of March 16. Director Reinkens asked to pull the Finance Committee minutes of March 13. Director Reinkens asked to pull item #17, Approval of Purchase of a Lateral Sewer CCTV System.

**Motion to approve the remaining consent calendar: Treabess/Reinkens/4-0**

##### 11. Minutes

- Sewer and Water Committee – March 12, 2009
- Finance Committee – March 13, 2009
- Community Issues – March 16, 2009
- Consultant Selection – March 17, 2009
- Parks and Recreation Committee – March 18, 2009
- Board Meeting – March 20, 2009

Regarding the Sewer and Water Committee meeting minutes, Director Treabess asked to correct the spelling on the last paragraph of item 4. The word complied should have been compiled. *Tony ~~complied~~ compiled that last year and will add this year's revenue and get that to them in April.*

**Motion to approve revised minutes of March 12, 2009: Treabess/Reinkens/4-0**

Regarding the Finance Committee meeting minutes, Director Reinkens wanted to note that they voted to reduce our Workers Comp premium and will quantify it at their May meeting. He just wanted to point out that we are doing a very, very good job with our claims.

**Motion to approve minutes of March 13, 2009: Reinkens/Treabess/4-0**

Regarding the Community Issues Committee meeting minutes, Director Treabess said that at that meeting Virginia Graham asked if a tabulation of the votes for the 218 election was available and wondered if she ever got it. Ms. Graham said that she did.

**Motion to approve minutes of March 16, 2009: Treabess/Reinkens/4-0**

12. Finance Report
13. General Manager and Staff Reports
14. Highlands Fire Hydrant Project – Agreement for Professional Services with Gary Davis Group
15. Tahoe-Tavern Booster & Well Buildings Rehabilitation Project – Agreement for Professional Services with Nolte Associates, Inc.
16. Lower Tahoe Tavern Heights Distribution Improvements Project – Agreement for Professional Services with Auerbach Engineering Corp.
17. Approval of Purchase of a Lateral Sewer CCTV System

Director Reinkens asked what kind of vehicle you can put the CCTV system in. Mr. Laloties said it is a portable system.

**Motion to approve: Reinkens/Treabess/4-0**

**I. RESOLUTIONS/ORDINANCES**

18. Authorizing Grant of Access Easement to United States Forest Service

Mr. Homolka passed out the resolution to go with this easement. He apologized for the short notice on this item and said that he was trying to avoid the need for a special Board meeting. He reported that Homewood is in the process of selling the Quail Lake properties to U. S. Forest Service. The properties are accessed by a road that runs across properties that we own and Homewood currently has an easement. The Forest Service needs to formalize their access rights before they purchase the property. He said that the language came from the Forest Service and legal counsel reviewed and commented on it. He noted that there will be two further revisions. 1) Clarify that this is an easement “in gross”. 2) Clarify that it is not transferable. We are also not going to record the easement if the sale doesn't happen.

Director Wilkins asked about the water rights issue at Quail Lake and if there is any need for us to maintain any leverage through this granting of easement that could be relevant for a later item. Mr. Homolka said that we wouldn't finalize it until we have clarification on the water rights.

**Motion to approve Resolution #09-12 as amended with the inclusion of the two items and conditional on appropriate resolution of the water rights issue: Reinkens/Treabess/4-0 by roll call vote**

19. Call for Bids – Dollar Hill II and Granlibakken Water Meter Installation Project

Mr. LeRoy reviewed the construction contracts with the Board and noted that the meters will be block meters. The commercial accounts at Granlibakken will not be included in the block

and will continue to be commercial accounts. Director Wilkins asked if we are taking a risk by putting in the meters before we have an agreement in place. Mr. Homolka said that this is a situation where we don't really need anything.

**Motion to approve Resolution #09-13: Treabess/Reinkens/4-0 by roll call vote**

**J. GENERAL**

20. Vehicle Use Policy

Ms. Gustafson said that this item was discussed at the Personnel Committee meeting last week. She was given some options to look at and present but wanted to know if any other Board members have anything that they would like to see in a revised policy. Director Wilkins explained that about a year ago he raised the topic of take-home vehicles, which he is generally not in favor of, and asked staff to review the policy. Ms. Gustafson said that she is checking with other agencies on their policy. She noted that the vehicles are included in some of the employee's compensation packages and their contracted pay so that is why it is being dealt with in closed session.

21. Consideration of Entering into a Contract for Legal Representation for Water Rights Issues with Kronick, Moscovitz, Tiedemann, & Girard

Ms. Gustafson said that Janet Goldsmith is Placer County Water Agency's water rights attorney and she has been very involved with the Truckee River Operating Agreement (TROA). Placer County Water Agency has tentatively given Ms. Gustafson an agreement that they will fund part of Ms. Goldsmith's time on water rights issues. The details haven't been worked out yet. Ms. Goldsmith is looking at our Homewood transaction relative to our water rights and some previous work that was done by Paul Minasian. Ms. Gustafson is putting together a contract but doesn't have an estimate yet on the cost. She will put a not-to-exceed \$10,000 price on it because she has no idea what the cost will be.

Director Wilkins said that he believes the General Manager has approval to enter into contracts for this amount anyway.

**Motion to enter into the contract with Janet Goldsmith for not-to-exceed \$10,000: Friedman/Reinkens/4-0**

22. Reports

Mr. Dykstra updated the Board that the new billing format will not be available for the bills this month due to a shortage of programming time at Springbrook and Data Pros.

Mr. Harry said that the 218 ballots went out last Friday and approximately 10 have come back in. A workshop will be held on Friday, May 22<sup>nd</sup> between 1:00 – 4:00 for Lake Forest residents. Mr. Harry said that he has received about a dozen phone calls so far from residents that want to make sure that what they are doing is correct.

Mr. Bolton said that he and Cindy met with TTUSD personnel yesterday regarding the Rideout lease. He believes the issues have been hammered out and they should get the contract soon. Director Reinkens asked if we would get more space at the facility and be allowed to use alcohol in the building. Mr. Bolton said that at the current time we probably wouldn't get more space and they are checking into allowing alcohol during non-school hours. Ms. Gustafson said that having the students at the school during the day enables us

to have a joint-use facility which allows the School District to participate in repairs to the site. Our preference would be to allow the students to stay but move to a different part of the building.

Mr. Bolton said that he met with States Parks regarding his concern that we are responsible for the Burton Creek maintenance and liability of roads and trails within the cross country ski area during the non-ski months. They have agreed to have the maintenance wording in the contract effective from Oct. 1 – April 30<sup>th</sup>. Mr. Bolton also reported that the Tahoe Cross Country Ski Concession is up for renewal. He met with them and will be coming to the May Parks and Recreation meeting and Board meeting with the new contract.

Mr. Bolton said that the May meeting will have the contract for the Art Center and the conditions of the in-kind offsets.

Director Treabess said that he doesn't feel that the Parks and Recreation Department is doing an adequate job of promoting our programs and getting the word out to get people to try our programs. He feels that there may need to be some sort of benchmark for how we are promoting our programs, how we could do it differently, and are our methods working. As one Director, he wanted to encourage or direct staff to come up with a better way for outreach. Mr. Bolton recommended that they come to the Board meeting to review all the promotion that they are doing now and the Board could comment on what else they would like to see being done.

On Lakeside Trail, Mr. Homolka reported that the segment of trail at the top of the state park squeezes in-between the campground and the overflow parking lot that is on state campground property. The parking lot is leased to Larry Boerner, the owner of the Tahoe Gal, and we are affecting it. Staff has had meetings with the Tahoe Gal owner and State Parks. At this time we are looking at an alternative design that would run the trail through the middle of the parking lot. Ms. Gustafson said that we are doing this at the request of State Parks and it is taking quite a bit of staff time. She told Larry that if he had concerns, he could speak with Board members so she wanted them to know what's going on.

Ms. Gustafson said that the Board supported Gerald Rockwell to the Lahontan Board a few months ago. Senator Cox called her and supported Mr. Rockwell's nomination.

Ms. Gustafson reported that Placer County Water Agency requested that we put together a meeting of the area managers as well as elected Board members for April 23<sup>rd</sup> from 9:00 – 11:00 to meet with our new representative to the Placer County Water Agency Board. She asked for any Board members that could attend to please come.

Ms. Gustafson reported that the ACWA May conference is in Sacramento and any Board members who are interested should let her know.

Ms. Gustafson said that we have two commercial applications that have come in for changes and she wanted to review our fees vs. TTSA's. She went over the two applications and said that she wanted the Board to know the charges in case the individual members get phone calls. Mr. Laliotis said that he would put together information that would clarify the relationship that we have with TTSA, our obligations as a member agency, and what they are responsible for.

23. General Correspondence

Director Treabess asked about the letter from the Parks Superintendent to the County of Placer regarding boats parked on the beach near Aqua Drive. Mr. Bolton said that it is not our responsibility.

24. Board Follow-Up

See item #25.

**K. MEETING REVIEW AND STAFF DIRECTION**

25. Board Action and Direction

Ms. Gustafson reported the following:

- Ms. Gustafson said that depending on time, staff will try to do actuarials on our pension fund at least once a year. They will always be done around negotiations.
- Staff will do a separate chart for revenue/expense for water and sewer and graph separately their debt ratios. Director Reinkens requested a breakout for overhead and the allocation methodology for that overhead for G&A.
- Mr. Dykstra and Ms. Gustafson will work on some ideas for benchmarking and trends for monitoring our efficiencies and effectiveness for the next Board meeting.
- Staff will look at term revisions for the 2010 MOU for the Lake Tahoe Community Fire Protection Partnership.
- Staff will have a draft agreement for the condominium water meters in May. We might have to start working with the HOA's before the draft agreements are ready. Ms. Gustafson will work out the details.
- Staff will report the percentage of customers with leaks monthly in the Board reports and will look at a policy for Lake Forest or any other water system regarding leaks and what we will do for the conservation ordinance.
- Staff will establish the season pass rates as launch fee and look at the risk transfer issue.
- Mr. Harry will initiate a public relations plan on the fees immediately with Mr. Bolton's assistance.
- Staff will do a contract with Janet Goldsmith for not-to-exceed \$10,000.
- Staff will get Board members a copy of the letter that was sent to Lake Forest property owners.
- Regarding the Rideout lease, staff will continue to push for moving Coldstream to the other side of the structure and potentially out of the building and find out what the repercussions might be. Staff will continue to pursue lifting the alcohol ban during non-school hours at Rideout.
- Staff will bring a presentation to the Board in May on what is being done to market and promote our recreational programs.
- Staff will pursue a TTSA presentation sometime in the future.

**L. DIRECTORS' FORUM**

26. Director's Comments

Director Friedman said that she believes that staff has been doing a great job on all the reports and information being provided. She attended the Easter egg hunt and thought it was a fun event. She said that a presentation on marketing recreation programs was

mentioned in the wrap-up and she thinks it is probably not necessary. She said a discussion at committee level might be more appropriate unless staff wants to do it. Ms. Gustafson said the report would be pretty brief and staff wants the Board to know what they are doing. Director Treabess said that part of the presentation should be what is effective and what isn't. He wants to discuss if there are other things that staff should be pursuing.

Director Reinkens said that he is glad that we are keeping up with the need for controls and monitoring. He asked if we are monitoring the well levels. Mr. Laliotis is monitoring them.

**M. CLOSED SESSION**

**CONFERENCE WITH LABOR NEGOTIATOR – Government Code Section 54957.6**

27. District Representatives – Cindy Gustafson, Jim Dykstra  
Employee Organization – All Employees

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS: LAKE FOREST WATER COMPANY - Government Code Section 54956.8**

28. District Negotiators: Alan Harry, Jim Dykstra, Tony Laliotis, Harold Morgan, and Dennis Viglione

Negotiating Party: Rick Dewante

District negotiators will be given instruction concerning whether the District will seek to purchase the water company, and, if so, price and terms of such purchase

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS: LAKESIDE TRAIL APN 094-110-018 – Government Code Section 54956.8**

29. District Negotiators: Cindy Gustafson and Matt Homolka

Negotiating Party: Judith Topol

District negotiators will brief the Board on the Status of Negotiations Regarding Elements of Acquisition and Receive Instruction from the Board

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS: 097-050-046 THROUGH - 049 (QUAIL LAKE)**

30. District Negotiators: Cindy Gustafson and Tony Laliotis

Negotiating Party: U. S. Forest Service and David Tirman, HMR Representative

District negotiators will brief the Board on the Status of Negotiations Regarding Elements of Acquisition and Receive Instruction from the Board

**N. CLOSED SESSION REPORT**

Mr. Soares reported the following out of closed session:

- Item #27: There was a conference with the labor negotiator. The District's position was reviewed and instructions were given. No action was taken.
- Item #28: No action was taken.
- Item #29: No action was taken.
- Item #30: Conferred with real property negotiators regarding Quail Lake. No action was taken.

**O. ADJOURNMENT**

The meeting was adjourned at 12:40 p.m.

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Dan Wilkins, Vice President

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Ginger Charlton, District Clerk

Prepared by Ginger Charlton