

REGULAR BOARD MEETING  
APPROVED MINUTES

July 26, 2007

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

STAFF PRESENT: Cindy Gustafson, Assistant General Manager  
Jim Dykstra, Director of Accounting  
Matt Homolka, Engineer  
Bob Bolton, Director of Parks and Recreation  
Bill Back, Director of Public Works  
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 5:00 p.m. Director Treabess led the audience in the Pledge.*

**B. AGENDA AMENDMENTS AND APPROVAL**

1. Agenda Deletions, Changes and Audience Requests

*There were no requests.*

2. Additions to Agenda

*There were no additions.*

3. Approval of Agenda

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

**C. PUBLIC FORUM**

*There was no public comment.*

**D. FINANCIAL**

All items covered under consent agenda.

## E. PROJECTS

All items covered under consent calendar.

## F. WATER AND SEWER UTILITIES

### 4. Lake Forest Water Company Service Area

*Mr. Minasian explained improvement districts and, in particular, the petition that the district received from the Lake Forest Public Water Advocates. He went over the steps that need to be taken upon receiving a petition and noted that the district has three options once it has been determined that the petition has the two-thirds standard of signatures. Option #1 is to accept the petition but not form the improvement district. Option #2 is for the District to put together a plan with a budget. Option #3 is to not form an improvement district until it is known what the ultimate plan is.*

*Ms. Gustafson said that she believed the intent of the board was to receive a position with more than two-thirds so that the district would have a vehicle to begin negotiations with Mr. Dewante for acquisition of the system. This is an attempt to head us down to a board level approach for more investigation so that we don't spend too much money without some assurance that people are willing to take some steps to assess themselves. She said that the direction tonight would be to accept the petition, verify the signatures, and then decide the next step.*

#### **Motion to formally accept the petition: Atchley/Henrikson/5-0**

*Mr. Minasian said that the next step is to decide how much the board is willing to budget for this item. The board discussed having the company assessed and appraised and discussed if the district should front all of the risk money. Director Treabess pointed out that according to our policy the next step is for the district to hire an engineer and possibly an appraiser because it's important to evaluate the condition of the water system and establish its value. When selecting an appraiser we need to choose someone who is credible and who would be willing to testify. Director Reinkens made the motion below with Director Treabess seconding so that discussion could take place. The board emphasized that staff keep track of what is being spent on this issue beginning now.*

#### **Motion to donate \$25,000 of seed money to start the process now: Reinkens/Treabess/5-0**

*Mr. Minasian asked for direction from the board on getting proposals. He said that everyone would probably be more comfortable if a completely independent attorney advised the appraiser on what to include and not to include in the appraisal. He asked what role the landowners should be allowed to play. The board said that the landowners should not play a role yet. Director Wilkins said*

*that in the rate study he would like to look at how much the taxpayers who are not members of our water system kicked in to the water system in the past.*

**G. PARKS AND RECREATION**

All items covered under consent calendar.

**H. CONSENT CALENDAR**

*Various board members asked to pull items 7-a, 9, 10, 12, and 13.*

**Motion to approve the remaining consent calendar:  
Atchley/Henrikson/5-0**

5. Minutes – June 28, 2007
6. Finance Report
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 if a site has been identified yet for snow storage. Ms. Gustafson replied that as far as she knows there hasn't been a site designated. Director Henrikson said that it's very important that a site be found before the fire department is allowed to begin building in the current snow storage area.*

**Motion to approve: Henrikson/Treabess/5-0**

8. Marlette Water Line Replacement
  - a. Change Order #3
  - b. Pay Estimate #3
  - c. Notice of Completion

9. Harbor Master Pump Station

- a. Change Order #2
- b. Pay Estimate #3

*Directors Reinkens and Henrikson asked if everyone that bid on this project bid on the same method of excavation. Staff said yes but that after the bids were opened the conditions changed and other methods had to be reviewed. A discussion ensued about the different options and why soil freezing was being done. Board members expressed their desire to hear more about various solutions during the Sewer and Water Committee meetings so they'll know what's happening when accosted by angry customers. Ms. Gustafson noted that if someone in the community has an issue with how a project is being handled, they should attend the Sewer and Water Committee meeting instead of accosting board members at the grocery store. Director Wilkins noted that it would be helpful if staff went over their thought process on big ticket items with board members at the committee meeting level.*

**Motion to approve: Henrikson/Wilkins/5-0**

10. Dollar/Highlands Water Meter Project

- a. Change Order #2
- b. Pay Estimate #2

*Director Wilkins asked how the project is coming along and if the District is finding things on the customer side of the line that they are working on. Mr. Beckman said that things are going quite well and they are finding very few underground problems on the customer side of the line. Director Treabess said that he is one of the customers that received a new meter and everyone involved has been very polite and professional when dealing with the customers.*

**Motion to approve: Wilkins/Henrikson/5-0**

11. Lakeside Trail – Phase 4

- a. Pay Estimate #11
- b. Notice of Completion

12. Heritage Plaza – Notice of Completion

*Director Treabess asked if we have a final price on this project. Mr. Beckman replied that we do and he believes it was within the anticipated budget.*

**Motion to approve: Treabess/Atchley/5-0**

13. Approval of New Generator Purchase – Gold Coast Sewer Lift Station

*Director Reinkens asked where we stand on our generators being in compliance with the new State of California carbon emission standards. Mr. Back said that he believes we are in total compliance at this point. Director Reinkens asked that staff make sure we are in compliance and report back at the next meeting.*

**Motion to approve: Reinkens/Henrikson/5-0**

**I. RESOLUTIONS/ORDINANCES**

14. Resolution Authorizing Execution and Delivery of an Installment Sale Agreement and Escrow Agreement with Zions First National Bank

*Mr. Dykstra explained the resolution and recommended approval.*

**Motion to approve: Henrikson/Treabess/5-0 by roll call vote**

15. Ordinance Stating Purpose and Fixing Tax Rate

*Mr. Dykstra went over the ordinance that was provided at the meeting. He explained that this is a yearly ordinance and recommended approval.*

**Motion to approve: Henrikson/Wilkins/5-0 by roll call vote**

16. Resolution Levying Ad Valorem Property Taxes

*Mr. Dykstra explained the resolution and recommended approval.*

**Motion to approve: Henrikson/Atchley/5-0 by roll call vote**

**J. GENERAL**

17. General Correspondence

*Director Henrikson said that he would have liked to have known in advance that Lakeside 4 was being dedicated to Sandy Coambes at the opening of Heritage Plaza. Ms. Gustafson said that the board didn't take action on this dedication. Dave Antonucci presented Sandy with a preliminary drawing of Lakeside Trail at her retirement party showing a plaque for her somewhere down the trail.*

18. Reports

*Mr. Dykstra said that he had discussed getting an actuarial evaluation done for the post-retirement medical plan at a cost of \$20,000 – \$30,000. He has received four quotes of \$5,000 – \$9,000. He asked to be able to hire the highly qualified person that quoted \$5,000 and not spend a lot of time interviewing anyone else.*

*Mr. Bolton reported on a meeting held with West Shore Properties regarding Rideout School. The agreement for parking is being worked out and will be brought to the board when ready. Communication between West Shore Properties and the PUD was also discussed. There will be an annual review and weekly communications on what is coming up. Mr. Bolton also reported that the school district has agreed to make Rideout a bus stop which will really help with our programs. Last but not least, the new concert stage will arrive tomorrow.*

*Mr. Back reported that the Tahoe Water Suppliers Association has been in contact with him. They chose Chambers Landing as one of three intakes on which to do a complete evaluation for risk analysis based on any contamination that can occur.*

*Mr. Beckman reported that he has been in contact with the North Tahoe Fire Protection District. They are going to begin defensible space evaluations on our water facilities and then the sewer facilities. He said that the risk assessment team from ACWA/JPIA visited and TWA Safety did an assessment and audit. He will probably be scheduling a board safety committee meeting during the week of August 13<sup>th</sup>.*

*Ms. Gustafson reported that the permanent permitting for Commons Beach for Farmers Market and the concerts is running approximately \$24,000. She asked what responsibility the board felt the PUD had for this amount of funding. She received feedback from board members that paying money for a permit so that someone else (Farmers Market) could use our property isn't right. Ms. Gustafson is going to meet with the various groups to discuss this issue and will report back to the board with the results.*

## **K. DIRECTOR'S FORUM**

### **19. Director's Comments**

*Director Treabess handed out a history of Tahoe City's Water Supply.*

*Director Wilkins reported that he won't be in town for the special board meeting on August 6<sup>th</sup> and will participate from a remote location.*

*Director Henrikson reported on the issue of service being provided to the Lyon family that was discussed at the Sewer and Water Committee meeting. He said that it's a gray area to him and he doesn't understand why they can't have two services. This item will be agendaized and discussed at the next meeting.*

*Director Henrikson said that he would like to see the lakeside water trail as an agenda item for a board vote.*

*Director Henrikson also asked about the website and said that it needs to be looked at because the agenda for this meeting isn't on it and the rates listed are from 2004.*

*Director Reinkens said that he would like to attend the finance workshop in Monterey in September. There was no opposition.*

**L. MEETING REVIEW AND STAFF DIRECTION**

20. Meeting Review

*Ms. Gustafson reported the following items for follow-up:*

- *Staff will work with Mr. Minasian and Mr. Sexton on the Lake Forest issue and track all costs associated with it.*
- *Staff will follow up with the fire department and the snow storage area.*
- *There will be no more plaques for retirees without board approval.*
- *Staff will provide a report on compliance with the new air quality standards for generators.*
- *Mr. Dykstra will move forward with the actuarial evaluation.*
- *The Lyon property issue will be agendized.*
- *The water trail issue will be agendized.*
- *Mr. Reinkens will be going to Monterey.*

**M. CLOSED SESSION**

**CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION  
GOVERNMENT CODE SECTION 54956.9 (a)**

21. TCPUD v. St. Francis Lakeside Homeowners Association

**N. CLOSED SESSION REPORT**

*Mr. Minasian reported that there is going to be a deposition on how much money this item will cost both sides of the issue depending on who's wrong. He said that a closed session is not needed at this point.*

**O. ADJOURNMENT**

*The meeting was adjourned at 7:00 p.m.*

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Lou Reinkens, President

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Ginger Charlton, District Clerk