

BOARD MEETING
APPROVED MINUTES

July 27, 2010

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

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

A. CALL TO ORDER

President Wilkins called the meeting to order at 5:00 pm and led the audience in the Pledge.

B. AGENDA AMENDMENTS AND APPROVAL

1. Agenda Deletions, Changes, and Audience Requests

It was noted that item #21 may move up in the agenda when Jan Brisco arrives.

2. Additions to Agenda

3. Approval of Agenda

Motion to approve the agenda: Henrikson/Reinkens/5-0

C. PUBLIC FORUM

There was no input.

D. RECOGNITION

4. Mike Abarno – 3 Year Service Award

Mr. Bolton introduced Mr. Abarno and reviewed his history with the District. Mr. Adamson added that Mike graduated from the North Tahoe Leadership Program and is a fantastic employee.

E. FINANCIAL

All items covered under consent calendar.

F. PROJECTS

6. Homewood Bicycle Trail Update

Ms. Gustafson reported that the California Tahoe Conservancy's (CTC) grant for final design for this project expires in June of 2011. Caltrans is now at 95% design and CTC has said that we will have to refund the money to the State and take our chances at reapplying to get the design funding back if we don't use it. This item will come back to the Board on August 11th for a decision on moving to final design.

D. RECOGNITION

5. Jim Dykstra – 10 Year Service Award

Ms. Gustafson said that when Mr. Dykstra first started with the District, he had a lot of work to do to clean things up. She reviewed his accomplishments in the last ten years and highlighted that he caught up on issuing the District's Audited Financial Statements, reconciled all District accounts, built the General Fund back up from a \$2.4 million negative fund balance, and fixed the Springbrook system which had been set up incorrectly. Since his employment, the District has had ten consecutive years of clean audit opinions and timely audited financial statements, built reserves to \$4.1 million, reduced outstanding debt from \$8.5 million to \$5.8 million with lower interest rates, obtained six new financings totaling \$9.2 million at lower interest rates, and handled all of our numerous insurance claims settling many without going through the burdensome insurance process. She said that she appreciates his leadership in the management team and that he has been an incredible resource to this District. Several managers and Board members added comments on how Mr. Dykstra has helped the District and thanked him.

G. SEWER AND WATER UTILITIES

7. Richard Whitaker Appeal

Mr. Laliotis explained the background of Mr. Whitaker's appeal and reviewed Ms. Gustafson's recommendation for a refund of the commercial connection fee and two-year commercial service charge fee. He noted that the Sewer and Water Committee discussed this item at their last meeting and agreed with Ms. Gustafson's recommendation. Director Wilkins said that to some extent the District is already stretching to the benefit of the customer by taking a change to the water ordinance and applying it to the sewer ordinance. Mr. Laliotis reviewed the ordinance that was in place in 2003 when Mr. Whitaker was billed for a commercial connection and the revisions that were made to the ordinance in 2009. Mr. Whitaker took the podium and voiced his opinion that he believes the District made a mistake in 2003 when he was charged for the commercial connection and requested a full refund of connection fees and service charges. Ms. Gustafson said that she doesn't believe the District made a mistake and added that the way this request is handled has a lot to do with the precedent on when fees are refunded or not because other properties may come back and request the same thing.

Mr. Sexton said that as the attorney for the District he has to look at Coral's memo and believes it was rated based on the District's ordinances. He said the District doesn't have any basis on which to refund anything.

Motion to refund the commercial connection fee of \$1,500 and two years worth of service charges: Henrikson/Treabess/4-1 with Director Reinkens voting no.

K. GENERAL

21. Support Letter for Lakeside Trail VII Impacts on Tahoe Gal Parking

Ms. Gustafson said that at the last meeting the Board requested some changes in the language of this letter. She and Mr. Homolka met with Jan Brisco and Larry Boerner to discuss the changes made to the letter. Director Wilkins said that his view is that the District is building a bike trail through State Parks property and it's having an effect on an existing concession on State Parks property. He is supportive of the District taking reasonable actions to mitigate any negative effects that we may be directly contributing to the concession. He said his concern with the original letter was that it could be interpreted that the District was having a more significant impact on the concession than we actually were.

Ms. Brisco thanked everyone who worked on this issue and noted that this new letter takes all number spaces out of the equation. Ms. Gustafson added that the parking agreement with Placer County Redevelopment Agency for the Jackpine parking lot was handed out at this meeting and gives the District 11 spaces which they can let Mr. Boerner use if needed.

Motion to authorize the Board President to execute the letter on behalf of the District: Henrikson/Friedman/5-0

H. PARKS AND RECREATION

8. Highlands Community Center Restroom Remodel – Approval to Call for Bids

Mr. Bolton said that staff is recommending that the Board approve calling for informal bids to remodel the Highlands Community Center restrooms. The contract with Tahoe Cross Country includes a list of prioritized projects to be completed with a combination of TCPUD funds and funds received by Tahoe Cross Country. One of the top priorities on the list is remodeling the restrooms for ADA compliance. \$40,000 of Per Capita grant funds from the State of California could be used for the project but Mr. Bolton must have a bid price before the State will give approval to use the funds.

Motion to approve calling for informal bids. The bids will then come back to the Board next month with a clear understanding of where funds will come from: Treabess/Henrikson/5-0

Director Reinkens said that he doesn't want District property tax dollars used for the project and would like the project to get done this year.

I. CONSENT CALENDAR

Director Henrikson asked to pull items #11 and #15. Director Friedman asked to pull item #9 and, regarding item #10, she asked for clarification on if there are more injuries than normal on the bike trails this year. Mr. Dykstra said that there aren't more injuries than normal but, due to the economy, more people have asked for claim forms.

Motion to approve remainder of calendar: Treabess/Henrikson/5-0

9. Minutes

- Sewer and Water Committee – March 10, 2010
- Parks and Recreation Committee – April 14, 2010
- Finance Committee – June 21, 2010
- Board Meeting – June 22, 2010

Director Friedman asked that amendments to the minutes requested by the Board be done after the meeting.

Motion to approve the minutes as amended: Friedman/Henrikson/5-0

10. Finance Report

11. General Manager and Staff Reports

- a. General Manager
 - Director of Utilities
 - District Engineer
 - Project Status
 - Technical Services
- b. Director of Parks and Recreation
 - Parks Superintendent
 - Recreation Superintendent

Director Henrikson asked what Caltrans is doing at River Ranch. Mr. Bolton said that Caltrans is working on the drainage project there and will be putting a slotted drain between the bike trail and the highway in front of the parking lot. He said that the District requested an alternative to the slotted drain but Caltrans wouldn't consider it since the drain would be outside of the trail.

Director Henrikson said that he appreciates the dog signs that were put up at Lake Forest Beach but there needs to be signs with stronger language about cleaning up after your dog. Mr. Bolton said that he will look for signs with stronger language.

Director Friedman asked about the amount of connection fees collected for 2009 listed on the Technical Services Department monthly report. Coral Lochridge will find out if the amount in the report is correct and will update the Board at the August meeting.

Director Friedman asked about the time frame to get the new grant funded bike trail signs. Mr. Bolton said he is hoping to go to production in the next couple of weeks and some will be installed this year.

Motion to approve item #11: Henrikson/Friedman/5-0

12. Pay Estimate No. 2 – Tahoe Tavern Heights BPS and Well Rehabilitation Project

13. Pay Estimate No. 3 – Lower Tahoe Tavern Heights Distribution Project

14. Notice of Award – Lakeside Trail Phase VII Project

15. Approval of Operating Agreement for Skylandia Park, Star Harbor, and Truckee River Outlet Parcels

Director Henrikson asked where the operating and maintenance costs are coming from since the State isn't paying anything to maintain these places. Mr. Bolton said that our property tax dollars have been paying for these since 1977. Director Henrikson said that he believes that it's wrong for the District to pay for this. Mr. Bolton said that the District has summer day camp at Skylandia Park and Skylandia House is used for housing for our interns. Ms. Gustafson added that there are grant contracts associated with some of the sites that may require the District to continue paying for a few more years. This item can come back to the August meeting for further discussion on the District's costs.

J. RESOLUTIONS/ORDINANCES

16. Ordinance Stating Purpose and Fixing Tax Rate – 2010/2011

Mr. Dykstra explained that this ordinance is for paying off special assessments for system acquisitions on the West Shore that were put together in the 70's and 80's. He added that this should be the last year that this is necessary.

Motion to approve Ordinance #267: Reinkens/Treabess/5-0 by roll call vote

17. Resolution Levying Ad Valorem Property Taxes – 2010/2011

Mr. Dykstra explained that this resolution ties in with Ordinance #267.

Motion to approve Resolution #10-25: Reinkens/Friedman/5-0 by roll call vote

18. Resolution to Update Banking Agreements and Account Signatures

Motion to approve Resolution #10-26: Reinkens/Friedman/5-0 by roll call vote

19. Resolution – In Memory of Senator Cox

Ms. Gustafson read the resolution to the group and added that Senator Cox was a great friend to the District and the Tahoe Basin. Board members commented that Senator Cox was a big component in local government, was always there to assist in dealing with agency bureaucracy, and always had a funny story to tell.

Motion to approve Resolution #10-27: Reinkens/Friedman/5-0 by roll call vote

K. GENERAL

20. Property Tax Reductions

Ms. Gustafson said that for the first time ever since the passage of Prop. 13 the property tax rolls in our District are being reassessed down (2.5% this year). She noted that we are well under budget and can make up the differential for this year but may have problems in the preparation of next year's budget. Director Wilkins said that the Finance Committee reviewed this item and believes there are savings in staffing and capital projects so the District will be ok for the 2010 budget cycle. Director Friedman voiced her concern that the State is an extreme wild card and no one knows what they could do to us monetarily this year.

22. Reports

Mr. Bolton reported that he and Ms. Gustafson met with Placer County Parks (PCP) to discuss the real cost of maintaining parks in Placer County. PCP staff said they would look at the District's figures but he hasn't heard back from them. PCO would like a one-year increase on a contract they have with us that ends in July. Mr. Bolton will bring the contract to the Board in August. He added that the County would like the District to put in a bid to maintain some of their buildings. Mr. Sexton said that the District doesn't have the authority to do custodial work for County buildings.

Mr. Bolton reported that the paving project at Rideout will begin next week and the playground will arrive within a month. A swing set and basketball hoop for Kilner Park are also on the way.

Mr. Bolton reported that staff collected 16.5 five-yard dumpsters of trash between Commons and Lake Forest Beaches over the 4th of July holiday.

Mr. Bolton reported that a couple of Jeffrey Pines and some cottonwood trees are failing at Heritage Plaza. He will notify Placer County with concerns about the trees.

Ms. Gustafson reminded the Board that the District retained Steve Teshara to work on a number of issues for us on the Regional Plan Update. He did a letter that was sent out today on their conservation milestones and a letter that was sent out on their transportation element.

Ms. Gustafson announced that the movie "Tapped" will be presented at Commons Beach on the evening of August 3rd. Water conservation kits and information on the movie will be provided to the public at the post office on August 2nd and 3rd.

Ms. Gustafson said that Ted Gaines is running for Senator Cox' seat and would like people to endorse him.

Ms. Gustafson reported that Senator Feinstein will be here for the Forum on August 17th. Ms. Gustafson rsvp'd for Board members and management staff.

Ms. Gustafson reported that the special districts and the Resort Association have been working on forming an Ad Hoc Committee that would look at the initial work on a TOT renewal for a 2% increase. The special districts have suggested being allowed to participate in it in addition to the business community because they are the recipients of so much of the TOT funding of the 2%. She said that in August she will come back to the Board to discuss spending \$2,500 to help fund the fact-finding effort. Ms. Gustafson and Mr. Sexton will review the language on the proposed funding of the Ad Hoc Committee to make sure the District is doing things legally.

Mr. Laliotis updated the Board on the Chambers Intake TTSA sewer discharge issue. He said that it's up and running and staff successfully constructed all the backwash recycle components. Things are working better than expected and staff doesn't feel that they need to discharge to TTSA on routine operations.

Mr. Laliotis updated the Board on the MOU for the joint sewer facility with NTPUD. All the components of the new MOU have been drafted and NTPUD is putting everything together in one package.

Mr. Laliotis reported that the McKinney Interconnect Project is starting next week and staff hopes to have our components finalized by mid to late August.

23. General Correspondence

Director Treabess asked why TTSA needed a rate increase. Director Henrikson responded that TTSA needs to pay off the State loan. They raised rates enough to pay off part of it and will wait to see how the economy goes in the hopes that they don't need to raise rates further.

Director Treabess said that the letter from Roger Ellicock commending staff for the completeness of the plans, specs and bid package for Lakeside Trail – Phase 7 Project was great. Mr. Homolka thanked him and added that Auerbach Engineering did the plans and specs.

Director Henrikson said that the letter from Dollar Hill II was great but he would have liked a signature on it.

24. Board Follow-up

Ms. Gustafson said the Strategic Plan can come off of the chart. She said that staff is falling behind on some of the items due to the amount of time that it takes to work on little problems that come up such as the work being done at River Ranch.

L. DIRECTOR'S FORUM

25. Director's Comments and Correspondence

Director Reinkens handed out some information to the Board from ACWA on Best Practices.

Director Treabess said that Bob Bolton went over a lot of work that Parks and Recreation is doing and showed that a lot of effort is being put forth there.

Director Treabess thanked Cindy Gustafson for how well she communicates in letters and the value of that skill to the District.

Director Reinkens asked Ms. Gustafson what water issues were discussed when she met with representatives of Homewood Mountain Resort. Ms. Gustafson responded that they had concerns about their continuing dilemmas on how to work with Madden Creek Water and TCPUD. They also wanted to know what a treatment plant would look like on their site at the South Lodge.

M. MEETING REVIEW AND STAFF DIRECTION

26. Ms. Gustafson reported the following:

Director Henrikson and Ms. Gustafson departed the boardroom before discussion on items #27 and #28.

N. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

27. Eminent Domain Proceeding of Lake Forest Water Company

CONFERENCE WITH REAL PROPERTY NEGOTIATORS: LAKE FOREST WATER COMPANY

28. District Negotiators – Tony Laliotis, Jim Dykstra, Harold Morgan, and Dennis Viglione
Negotiating Party – Rick Dewante

O. CLOSED SESSION REPORT

Mr. Sexton reported out the following from closed session:

27. The Board was updated on the status of litigation. No further action taken.
28. The Board was updated by negotiators on the status of negotiations. No further action taken.

P. ADJOURNMENT

The meeting was adjourned at 8:45 p.m.

Dan Wilkins, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton