

REGULAR BOARD MEETING
APPROVED MINUTES

September 12, 2006

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

STAFF PRESENT: Bob Lourey, General Manager
Cindy Gustafson, Assistant General Manager
Jim Dykstra, Director of Accounting
Matt Homolka, Engineer
Bill Back, Director of Utilities
Bob Bolton, Director of Parks & Recreation
Jack Beckman, Construction Project Manager
Mike Sexton, Legal Counsel
Ginger Charlton, District Clerk

A. CALL TO ORDER – PLEDGE OF ALLEGIANCE

President Treabess called the meeting to order at 5:05 p.m. Mr. Bolton 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 the agenda as amended: Henrikson/Reinkens/4-0 (Director Atchley not yet in attendance)

C. PUBLIC FORUM

No comment.

D. RECOGNITION

4. Cindy Gustafson – 15-Year Service Recognition

Mr. Lourey said that he has really enjoyed working with Cindy Gustafson and watching what she has been able to do for the District over the last 15 years. He noted that she has brought over \$18 million to the District in outside funds during that time; she has helped him and the District by building very strong and trusting relationships with State,

County, and local agencies and personnel; and her efforts in the transitioning of the recreation division and her assistance in helping make the recreation area more accountable and cost effective have been remarkable. He went over the numerous projects that she has assisted with and thanked her for her efforts. Mr. Beckman, Mr. Bolton, and the Directors present praised Cindy for all she has done for the community.

5. Recognition from Boys & Girls Club of North Lake Tahoe

Isabelle Rodriguez, Executive Director, gave an overview of the Club's history and where it is today. (Director Atchley arrived.) Ms. Rodriguez then presented Director Treabess with a plaque to recognize the District's support to the Club in building an energy and unit around youth support in the community. She thanked the District for its financial support for the development of the club, which has contributed significantly to the development of a positive place for kids. She also presented Director Treabess with a bronze medallion from their Founders Society, which is only presented to organizations that have contributed \$10 thousand or more. Director Treabess thanked Ms. Rodriguez and Director Atchley for the important parts they played in the development of the group.

E. FINANCIAL

6. Proposed Water and Sewer Rate Increases and Direction to Staff to Give Mandatory Notice and Schedule Public Hearing

Mr. Dykstra explained the suggested increases for water and sewer and went over the provided packet. He explained that he and Mr. Sexton have been working on developing how the District will notice customers and went over the suggested mailer. The Board discussed the mailer and discussed changing the wording to make it easier to understand. The Board also discussed doing a rate study in the near future and what they would like to include in the study. Mr. Sexton noted that when the rate study is done, he needs it to not have CPI driven rate increases in it because they are suspect based on the requirements of the constitution that says you can't charge any more than what it costs to provide the property related service. It is going to have to identify what it costs to provide services for water and sewer. He said that water and sewer charges can't be used for anything other than water and sewer and the study is going to have to identify that. He went on to explain the protest process and what things are going to have to be done differently in the future to abide by Proposition 218 requirements.

Motion to accept the direction, the process, and the suggested rates until the Board can make a different determination or approve them officially. The document will also be wordsmithed to make it more easily understandable. Wilkins/Reinkens/5-0

F. PROJECTS

7. Homewood Bike Trail Update

Mr. Lourey reported that he and Ms. Gustafson attended a meeting in South Lake Tahoe with representatives from TRPA, California Tahoe Conservancy, and CalTrans. A few days after the meeting they issued the e-mail in the board packet with a modified position on this stretch of trail and what they could support and what they would do in modifying their design to better allow for the bike trail. They have now agreed to shift the centerline of the highway and narrow the 8-foot shoulders which then frees up space for the bike trail. Mr. Lourey said that it appears that we are back to the original level of acquisition needed as was originally thought. He said that he would update the Board on the review status of the layout as it is provided.

G. WATER AND SEWER UTILITIES

All items covered under consent calendar.

H. PARKS AND RECREATION

All items covered under consent calendar.

I. CONSENT CALENDAR

Director Henrikson pulled item 11.

Motion to approve remaining items: Atchley/Henrikson/5-0

8. Minutes

- August 15, 2006
- August 25, 2006

9. Finance Report

10. General Manager and Staff Reports

General Manager
Sewer and Water Report
Public Works
Parks Activity Report
Recreation Activity Report
Project Development Report
Assistant General Manager Report
District Engineer Report

11. Marlette Drive Water Line Replacement – Professional Services Agreement – Task Order No. 3

Director Henrikson said that he is unclear on why the task order is \$60,000. Mr. Homolka explained that the District is spending \$20,000 this budget year and will spend the remainder in the next budget year. He noted that since they had to defer the construction of this item as a result of the 2004 budget crisis, additional engineering services are required to reinitiate the project.

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

12. Lakeside Trail 2B

Change Orders #3 and #4
Pay Estimate #8

13. Lakeside Trail Phase IV

Change Order #2
Pay Estimate #5

14. Sequoia Trail Crossing – Final Release of Retention

15. Heritage Plaza – Pay Estimate #1

J. RESOLUTIONS/ORDINANCES

16. Succession Plan Documentation

Mr. Lourey reported that succession plan documentation is needed for the purpose of laying out the confidentiality of the documents that will be generated as a result of the succession planning effort and protecting the confidentiality of everyone involved. Mr. Sexton explained the purpose of the resolution and how the confidential documents can be used.

Motion to approve Resolution #06-27: Henrikson/Atchley/5-0 by roll call vote

K. GENERAL

17. Reports:

Mr. Bolton gave an update on Rideout Elementary School. He noted that Coldstream Alternative School is going to be moving back to the site and will take four classrooms. He has received a draft MOU from the school district. He said that he is planning to meet with the community outreach group to discuss what kinds of programs are needed at Rideout. He noted that this item would be agendized at the October meeting.

Mr. Bolton reported that the last concert of the year was Sunday. He recognized John Reichert and the Parks staff for their hard work and noted that there wasn't one glitch in the past two years. Board members asked Mr. Bolton to let them know if he needs anything to help get the fields and grass ready during the off-season.

Mr. Beckman reported that NIMS/SEMS trainings would be held in the boardroom on September 13th and 15th.

Ms. Gustafson reported that there will be a groundbreaking ceremony for Heritage Plaza tomorrow and asked any board members available to attend. She also informed the board of a meeting on Mackinaw Road and a NTRAC meeting.

18. General Correspondence

Director Treabess asked about the letter from Tahoe Sierra Estates Association. Mr. Lourey said that staff needs to set up a Sewer and Water Committee meeting to discuss their issue.

L. DIRECTOR'S FORUM

19. Director's Comments

Director Reinkens commended staff for all the work they have done on the Commons Beach concert series.

Director Atchley asked for the Farmers Market to come back to the Board for discussion due to the traffic complaints.

Director Wilkins asked if there are any changes that need to be made to the sidewalk due to the trip and fall of someone using the boardroom.

M. MEETING REVIEW AND STAFF DIRECTION

Mr. Lourey reported the following items for follow-up:

- *Staff needs to work on the rate increase notice wording.*
- *Staff will factor the issue of the rate study consulting work into the 2007 budget.*
- *Place the Rideout item on the next agenda for discussion and the Farmers Market item on a future agenda.*
- *Look at some possible adjustments or changes to the construction of the curbing out front.*

N. ADJOURNMENT – 7:00 p.m.

Ron Treabess, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton