

REGULAR BOARD MEETING  
APPROVED MINUTES

October 19, 2007

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

STAFF PRESENT: Bob Lourey, General Manager  
Cindy Gustafson, Assistant General Manager  
Jim Dykstra, Director of Accounting  
Matt Homolka, Engineer  
Tony Laliotis, Utilities Superintendent  
Bill Back, Director of Public Works  
Bob Bolton, Director of Parks and Recreation  
Mike Sexton, Legal Counsel  
Ginger Charlton, District Clerk

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

*President Reinkens called the meeting to order at 8:30 a.m. Mr. Back led the audience in the Pledge.*

**B. AGENDA AMENDMENTS AND APPROVAL**

1. Agenda Deletions, Changes and Audience Requests

*None.*

2. Additions to Agenda

*Mr. Lourey said that we have one addition to the agenda and two continuation items from the October 16<sup>th</sup> meeting. The continuation items are:*

11. NTFPD Property Owner Ballot
12. Closed Session – Public Employment  
General Manager; Assistant General Manager

*Ms. Gustafson said that she needed to add the following item to the agenda as an emergency item because we found out about the grant after the posting of the meeting and it is due in Sacramento today by 4:00. The law allows us to add it to the agenda today by a 2/3 vote. The grant is for permanent restrooms at 64 acres, a realignment of the bike trail at Bells Landing, and some habitat restoration along the Truckee River.*

13. Resolution #07-18 - Grant Request from River Parkways Funding

*Mr. Sexton said that this is a two-step process. Ms. Gustafson explained that the first part of the motion is that the need to take action came to the district's attention after the*

*posting of the agenda. Secondly, there is a need to take action today. It can't wait until the next regularly scheduled meeting.*

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

3. Approval of Agenda

**Motion to approve the agenda as changed: Wilkins/Atchley/5-0**

*Mr. Lourey introduced Dwayne Whitelaw and said that he came to discuss item #11.*

11. NTFPD Property Owner Ballot

*Mr. Whitelaw apologized for not getting to the board sooner to clarify the ballot. He said that the fire district got voter approval to increase their special tax three years ago. They are now reasonably well funded and able to provide the community with a very good level of service. Their board toured the Angora fire area and saw the devastation that occurred. They concluded that they need to inspect private and public properties, increase the chipping program, and do neighborhood specific evacuation training in every neighborhood. The board decided that these direct property benefits should be brought to property owners to see if they wanted to pay an additional amount annually for these services. He explained the 218 statute and the fact that the ballots must be signed and are public information that can be viewed by anyone that asks to look at them.*

*Mr. Whitelaw explained that their current board's policy is to not go beyond the normal property tax bill on the assessment to public agencies. A future board could change that policy. He will look into why TCPUD received only one ballot. Mr. Sexton added that Prop. 218 requires notice to property owners. Since the district only received notice on the one parcel, the district can only be assessed on the one parcel. Mr. Lourey noted that the board has three options. They can vote yes, vote no, or not vote at all and let the citizens of the community decide on the tax.*

**Motion to not vote: Henrikson/Atchley/5-0**

**C. EMPLOYEE RECOGNITION**

4. Kevin Ferrell – 25 Year Service Recognition

*Mr. Lourey said that Kevin was an excellent employee when he first started working for the district and was promoted to electrician not long thereafter. He has worked hard and has been a great asset to the district over the years. He noted that Kevin was last year's "Employee of the Year". Mr. Back said that there is no backup for Kevin and he is always here when needed. Mr. Laliotis said that Kevin is very sharp, professional, and wonderful to have as an employee. Ms. Gustafson noted that both Kevin and Tab responded in the Washoe Fire and were invaluable to the district. The board thanked and congratulated Mr. Ferrell on his 25 years of excellent service.*

5. Darren Kitzmiller – 10 Year Service Recognition

*Mr. Back explained that Mr. Kitzmiller is on vacation so he will be recognized in November.*

6. Tab Strada – 10 Year Service Recognition

*Mr. Back said that Tab has been one of the most responsive employees the district has ever had during emergencies. He said that Tab has the ability to operate almost any piece of equipment in the district and doesn't hesitate to help anyone. Mr. Lourey added that Tab is a previous "Employee of the Year" and is very dedicated. Mr. Laliotis added that Tab has had his hand in every single meter that has been installed this summer and has personally accomplished about 99% of the work done on the meters. Everyone thanked Tab for his excellent service over the past 10 years.*

*Mr. Lourey said that due to the fact that the grant needs to be carried to Sacramento today, he would like to move that item up to the present.*

13. Resolution #07-18 - Grant Request from River Parkways Funding

*Ms. Gustafson explained that this resolution is to apply for funding through the River Parkways Grant Prop 50 funding. We are asking for \$770,000 for permanent restrooms at 64 acres, to restore 200 linear feet of river habitat area, and to realign the bicycle trail at Bells Landing. The entire project is estimated at \$1.1 million and the remaining funding would be secured through the Resort Association and Placer County park dedication fees. Director Henrikson asked why we aren't looking for bathrooms at Bell's Landing. Ms. Gustafson said that they haven't come up with a location yet but that we can try for that next year.*

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

**D. NOTICE OF PUBLIC HEARING – FORMATION OF IMPROVEMENT DISTRICT NO. 1**

*Mr. Sexton explained the notice that was given in accordance with the requirements of law for this public hearing. The purpose of the hearing is to consider any protests against the formation of the improvement district. If there is a protest by more than one-third of the holders of titled land within the improvement district, the board must deny the petition and can't take any action. If there is not a protest by more than one-third, the board may form the improvement district. Mr. Sexton said that first the board should make some findings. If they find that it is not in the best interest of this district and the proposed improvement district to form the improvement district, then the board must order the proceedings dismissed. If the board determines that it is in the best interest of the two districts, the board must make an order approving the petition for the formation of the improvement district and form the improvement district. At this time normally the board would levy necessary assessments to pay for improvements. That won't happen in this situation because the petition that was submitted to the board did not include any plans for the facilities to be improved or give any authorization to levy an assessment. He said that the board should open the public hearing and consider comments. Director Reinkens opened the hearing at 8:50 a.m.*

*Wally Auerbach, representative of the Lake Forest Public Water Advocates and civil engineer, explained that 72% of the holders of title signed the petition.*

*Robert Jones, homeowner in Lake Forest, spoke in support of the improvement district. He said that the first step should be to make a permanent connection from the district's system to the Lake Forest system so that the people in Lake Forest can receive potable water.*

*Hartwig Sonenberg, resident of Lake Forest, expressed his concern that their system is old and the improvements are critical to them due to fire danger.*

*Elaine Van Floss asked if property taxes would be used on the acquisition or modernization of systems. Mr. Lourey said that rate payers won't be paying for it, but it's possible that property taxes could be used. He noted that the use of property taxes is one of the items the board is currently working on.*

*Deborah Dorland Selack, Eva Riva, and Darlene Bray said that they are in support of the PUD taking over the water system.*

*Mr. Lourey passed out information on the Lake Forest Alternatives and on the process used by Truckee Donner PUD to acquire Donner Lake Water. He said that the work on the appraisal is underway. He also reported on the hearing that was held by the Public Utility Commission yesterday where Rick Dewante is requesting a surcharge to go in and replace the distribution system. He said that there were some incorrect statements made at that meeting about the PUD being able to make a permanent connection at Lake Forest.*

*Mr. Sexton said that at this point the public should be asked if any member wishes to protest the formation of the improvement district. Director Reinkens did so and there were no protests. Director Reinkens closed the public hearing at 9:30 a.m.*

#### **E. RESOLUTION FOR FORMATION OF IMPROVEMENT DISTRICT NO. 1**

*Mr. Lourey advised the board that 72.48% of the properties zoned in that area have petitioned the district to form the improvement district. The petitions were verified to be accurate. Mr. Sexton went over the scenarios that could happen next.*

*The board discussed the sections of the acquisition process that require money before an improvement district is formed. Mr. Sexton then told the board that the next thing that needs to be done is the board has to make a determination if it is in the best interest of the district and if it is in the best interest of the proposed improvement district to form the improvement district. He also explained the determinations the board needs to discuss regarding setting up a permanent or temporary connection at Lake Forest.*

*Director Treabess said that he believes that it is in the best interest of the district and of the improvement district to proceed. He feels that it is the most economical and healthy way to serve water. He said that if we are going to supply water to Lake Forest we should get rid of the middle man that has to make a profit. The purpose of the improvement district should be to voluntarily acquire the Lake Forest Water System and operate it under the Tahoe City umbrella.*

*Director Wilkins agreed with Director Treabess. He noted that there is a lot to be done and asked about timelines. Mr. Lourey explained what will happen next. Director Wilkins was concerned about upcoming costs. Mr. Sexton explained how costs could be handled and hopefully recuperated.*

*Director Henrikson said that he's not sure that it's in the best interest of the district and he won't know until the property owners vote to put the dollars into the improvements.*

*Director Atchley said that she is in agreement with Director Treabess and feels that it is in the best interest of the district and the proposed improvement district.*

*Director Reinkens said that he also feels it is in the best interest of both parties. He said that the health issues are overwhelming and we can't let it happen in our community.*

*Mr. Sexton walked the board through the resolution. Mr. Homolka asked if it would be possible to add Lake Forest to the name of the improvement district. Mr. Sexton said it was. The name is now Lake Forest Improvement District No. 1.*

**Motion to approve formation of Lake Forest Improvement District No. 1: Treabess/Atchley/5-0 by roll call vote** (with Director Henrikson having a little reluctance)

*Mr. Lourey said that he will bring a schedule and the next steps back to the next board meeting. The board took a five minute break.*

## **F. WATER AND SEWER RATE STUDY ISSUES**

### **7. Revised Approach to 5-Year Capital Spending Program**

*Mr. Lourey said that the revisions to the 5-Year Capital Plan reflect some projects being moved to out years due to the fact that we think that there may be different alternatives for those projects as well as the potential for outside funding on those projects. Staff is recommending that we move all of the water meter installation projects excluding the condominium issue into the 2008 budget and subtract out from those projects the service line replacements. We have tremendous revenue requirements in the water capital area and the sooner we start generating additional water revenue based on consumption the better off we will be financially for funding those needed water improvement projects. He said that staff recommends modifying the approach that was discussed previously as being a multi-year rate increase and focusing on the 2008 budget.*

### **8. Timing of Residential Water Consumption Billing Start and Billing Frequency**

### **9. Interim Tiered Water Consumption Billing Rate Structure**

*Mr. Dykstra explained that at this workshop they're trying to deal with specific issues that came up at the last workshop, trying to come up with 2008 rates, and make some progress on issues regarding residential water rates.*

*Ms. Gustafson went over the schedule for water meter implementation and explained that staff is working on getting the water project done more quickly so that there is more equitability between customers. She said that staff recommends going ahead and starting those customers on October 1. She noted that those customers wouldn't have had as much notice as the other customers have had but it would occur during winter and consumption would be lower.*

*Staff went over the rest of the presentation and the board held a discussion on various ways to do the rate structure and when to implement it.*

*Elaine Van Claussen said that she doesn't believe it's equitable for the Highlands to pay consumption based rates before everyone else and she would like to protest the plan.*

*Each board member gave their opinion of water rates and the implementation schedule so that Mr. Dykstra could work on charts based on their requests to be presented at the next meeting.*

10. 2008 Budget Use of Property Tax

*Mr. Lourey said that staff is recommending using 2008 property tax in water and sewer in the same percentages that they have been used. Director Treabess voiced his concern that property taxes are being used to reduce rates for certain customers and that needs to be considered when we get into any acquisitions.*

**G. PUBLIC FORUM**

*Gerald Rockwell, spokesman for Tahoe Park, informed the board that they are attempting to form an improvement district similar to Lake Forest. He informed the board that petitions have been sent out and he will keep the board updated on the results.*

**\* CLOSED SESSION**

At any time during the regular session, the legislative body may adjourn to closed session to consider real property negotiations; existing litigation; anticipated litigation; liability claims; threat to public services or facilities; public employee appointment, employment, performance evaluation, or discipline/dismissal/release; or labor negotiation.

**PUBLIC EMPLOYMENT**

12. General Manager; Assistant General Manager

**\* CLOSED SESSION REPORT**

*Mr. Sexton reported that the board evaluated the performance of the General Manager and the Assistant General Manager and gave direction to staff.*

**H. ADJOURNMENT**

*The meeting was adjourned at 12:45 p.m.*

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Lou Reinkens, President

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Ginger Charlton, District Clerk