

REGULAR BOARD MEETING
UNAPPROVED MINUTES

November 30, 2007

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

STAFF PRESENT: Bob Lourey, General Manager
Cindy Gustafson, Assistant General Manager
Matt Homolka, Engineer
Bob Bolton, Director of Parks and Recreation
Bob Bryant, Executive Assistant to the General Manager
Deb Rose, Accounting
Debi Black, Technical Services Supervisor
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. Treabess led the audience in the Pledge.

B. AGENDA AMENDMENTS AND APPROVAL

1. Agenda Deletions, Changes and Audience Requests

Mr. Lourey asked to move item #20 up to right after item C – Employee Recognition.

2. Additions to Agenda

Mr. Lourey asked to add a closed session item (#29) titled "Evaluation of Performance of the Director of Accounting and General Services"

Motion to approve addition: Wilkins/Atchley/4-0

3. Approval of Agenda

Motion to approve the agenda as changed: Atchley/Treabess/4-0

C. EMPLOYEE RECOGNITION

4. Darren Kitzmiller – 10 Year Service Recognition

Mr. Back thanked Darren and noted that his energy, enthusiasm and training over the years has made him an excellent employee.

5. Francisco Gonzalez – 5 Year Service Recognition

Mr. Back thanked Francisco and said that he also has a lot of energy and has worked hard on his certifications over the years. Mr. Lourey noted that Francisco wants to be the next General Manager but needs to wait a few years since he's way too young.

6. Chris Foucek – 5 Year Service Recognition

Mr. Back said that Chris has taken on a lot of the responsibilities for following up on the meter installations that took place this summer and maintaining our water distribution lines. He thanked him for all of his hard work.

7. Craig Trumbull – 5 Year Service Recognition

Ms. Gustafson thanked Craig for the tremendous job he has done for the District. She appreciates his willingness to help even when he's not at work. Mr. Lourey thanked Craig for all of his work with the Safety Committee and Risk Management.

J. GENERAL

20. Request from Placer County for Parking Spaces

Ms. Gustafson explained the request from Placer County Redevelopment to use some of the District's parking spaces in the lower yard for staging areas during the construction of the Tahoe Marina parking structure. She noted that the District will have a lot of projects in the works at the same time and may need the spaces but wanted to present the idea to the board so that other options could be discussed. She introduced Candace Rousselet, Senior Redevelopment Specialist, who went over the project and their parking plan requirements. Tony Lalotis explained that part of the lot is already being leased by Placer County Facilities Department. Ms. Gustafson said that staff's recommendation is to work with the County to try to find a better place for them to park. She noted that staff didn't want to deny the request without bringing it to the board because the County has been an excellent partner with us on many projects. Mr. Lourey said that he feels that we should focus our energy on trying to find appropriate parking that works for all parties involved.

D. PUBLIC FORUM

There was no public input.

E. FINANCIAL

8. 2008 Budget

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

Items number 8 and 9 were combined for discussion. Mr. Lourey said that since Mr. Dykstra couldn't be present for this meeting, he will go over the budget with the help of Ms. Gustafson and Deb Rose. He went over changes that have been made since the last presentation and read the following statement from Director Henrikson: "While I am not generally in favor of rate increases, I will support the 17.5% water rate increase providing that this takes away the tax subsidy for water operating and puts it towards sewer. I do not support the 4% sewer rate increase at all." Ms. Gustafson explained

some handouts that were provided. She said that Director Wilkins had requested some charts that were more relevant to the discussion on operating costs vs. what the board has been doing with rate increases. She noted that the board has not been escalating the rates as rapidly as the operating costs have been escalating. Director Treabess said that with our situation of dealing with water this year that he is comfortable with staying with our property tax usage in sewer for this year and further discuss it later. He would like to get a handle on beginning to catch up on the water and would pick the 17.5%. Director Atchley agreed. Director Wilkins said that over the course of the next year they need to begin tying everything together so that they have a logic-based foundation on what they are doing on sewer and water rates. He also said that every year that the District doesn't keep up with the increasing cost of service, we are falling further behind and there is more to make up in the future. Director Reinkens said he felt sewer should go up 5 or 6%.

Motion to direct staff to put a 17.5% increase in water rates and a 5% increase in sewer rates in the protest notice: Wilkins/Atchley/3-1 (Director Treabess voted no)

Motion to adopt the budget as amended: Treabess/Atchley/4-0

F. PROJECTS

All items covered under consent calendar.

G. PARKS AND RECREATION

All items covered under consent calendar.

H. CONSENT CALENDAR

Director Atchley asked to pull item 15; Director Reinkens asked to pull item 12-b.

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

10. Minutes
 - a. October 16, 2007 – Special Board Meeting
 - b. October 19, 2007 – Board Meeting
 - c. October 23, 2007 – Parks and Recreation Committee Meeting
 - d. November 8, 2007 – Sewer and Water Committee Meeting
 - e. November 9, 2007 – Special Board Meeting
 - f. November 16, 2007 – Sewer and Water Committee Meeting
11. Finance Report
12. General Manager and Staff Reports
 - a. General Manager
 - b. Sewer and Water Report
 - c. Public Works Report
 - d. Director of Parks and Recreation Report
 - e. Parks Activity Report
 - f. Recreation Activity Report
 - g. Project Development Report
 - h. Assistant General Manager Report

i. District Engineer Report

Director Reinkens asked when we started providing Lake Forest with water. Mr. Laliotis said that they have been using it intermittently for about five years but consistently started using a large volume of it in May or June.

Motion to approve the Sewer and Water Report: Atchley/Reinkens/4-0

- 13. Approval of \$1.5 Million Transfer from General Fund to Enterprise Fund
- 14. Tractor Purchase
- 15. Harbor Master Pump Station
 - a. Change Order #4
 - b. Pay Estimate #7
 - c. Partial Release of Retention

Regarding Change Order #4, Director Atchley asked if Field Order No. 24 will be reimbursed by Placer County Redevelopment Agency. Mr. Homolka verified it will be.

Motion to approve item 15: Atchley/Reinkens/4-0

- 16. Lakeside Trail II B – Release of Retention

I. RESOLUTIONS/ORDINANCES

- 17. Resolution Requesting CalPERS to Grant an Extension of 320 Hours to the 960 Hours Retiree Robert Deatherage may be Employed by the District in this Fiscal Year

Ms. Gustafson explained the resolution required by CalPERS to extend Robert Deatherage's employment next summer.

Motion to approve Resolution #07-20: Atchley/Treabess/4-0 by roll call vote

J. GENERAL

- 18. Request for Authorization to Prepare a Resolution of Intent to Vacate Fee Interest in Land that Underlies Sidewalks Adjacent to Commercial Properties in Tahoe City

Mr. Lourey explained the history of the sidewalks and noted that Debi Black has been working with Mr. Sexton on the process to vacate the land that underlies the sidewalks. Debi Black explained that requests have been received from some of the commercial property owners to acquire the rights to the property. She is asking the board to authorize her to prepare the necessary documents, publish a public hearing and post notices up and down the downtown corridor advising the public that the District will be relinquishing the property to certain property owners as requested. The easements will be site specific and will be handled as they come in. Director Wilkins brought up some legal issues on hold harmless agreements. Legal Counsel will work on the issue. The board gave direction to Legal Counsel to prepare the documents and hold the public hearing at the next meeting. Director Atchley asked to be made aware of the pieces of property that are vacated.

19. Technical Consultant Policy

Mr. Lourey noted that in June the board reviewed the policy and wanted more involvement at a committee level in the process. He went over the modifications that he had made since June and recommended that the board move forward with this so that the committee can be formed. He also recommended that the board review the approved capital list at the beginning of every year and discuss at committee level how they want staff to approach consultant selection on the projects. Director Atchley was concerned with the committee making a decision about something that cost \$25,000 or more. Mr. Lourey said that it would come back to the board for approval. Director Atchley was also concerned about item 3 in the proposed revised policy. The board discussed the wording and decided that the committee can set up the criteria on how to select for each project. It was also decided that the statement should have "provided they are qualified" added. The board decided that the committee needs to be a new standing committee. Mr. Lourey recommended that the board approve the proposed revised policy with the changes that were discussed subject to any future changes that the committee recommends. Mr. Sexton recommended that after the word standing committee there be a statement that says all meetings will be noticed in accordance with the Brown Act. The board selected Directors Atchley and Wilkins to be on the committee.

Motion to approve the policy as amended: Treabess/Atchley/4-0

21. General Correspondence

Director Reinkens asked how the surplus property sale went. Mr. Laliotis noted that it went very well and everything is gone.

Mr. Treabess reported that the masticator item in this week's paper showed that the District was on top of the issue and took advantage of the situation by being ready. Ms. Gustafson gave full credit to Bob Bryant for getting the project ready to go right away. She also said that she really appreciates Andrew from the Sierra Sun to get our information covered in a timely manner so that the public understands what is happening.

22. Reports: Engineering Department, Finance Committee, Finance Department, Parks & Recreation Committee, Parks & Recreation Department, Pre-Agenda Committee, Risk Coordinator, Tahoe-Truckee Sanitation Agency, Water & Sewer Department

Ms. Gustafson reported that she had a meeting with the Army Corps of Engineers related to Section 219 funding. Because of this meeting Mr. Lourey drafted a letter to the colonel in Sacramento overseeing the funds to get us in line for a new source of funding. The letter expresses our interest in the funding but doesn't tie our hands in any way or support the fact that the new funding was put in place.

Ms. Gustafson reported that Ted Gaynes visited and was given a brief tour. The primary issue was the local water company issues and how they could help support the customers of those private systems and the public agencies for how to deal with the issue.

Director Treabess asked about the status of the Homewood bike trail. Mr. Lourey said that we can start moving forward to secure the funds to get it designed without CalTRANS. Ms. Gustafson explained that how we utilize funding on this project will be complicated because there are private property issues involved. Director Atchley asked to have a one-page recap of where the various trail portions are and where we stand project wise.

Director Reinkens reported that he went to the JPIA meeting and there were three workshops that were good. He had Ginger copy the materials that he received at the workshops for the other board members. He said that the rates are continuing to go down on all aspects of coverage. He said that the training is helping and this district is active in using the free training provided by JPIA.

Director Treabess asked how the second Rideout workshop went. Mr. Bolton replied that it went well but there was a low turnout. They started looking at compatibility of the rooms and worked on the mission statement. He said that the committee needs to be formalized and he will probably come back to the next board meeting for nominations. He said that the school district is looking at reconfiguring the usage of their schools so Rideout is not out of the question to be a possible school site. It probably won't happen but it is slowing down the lease process. He also noted that they are working on having TCPUD sub-lease parking out to West Shore Properties. He said that they are planning to continue with the move at the end of the year even though there is a risk since the lease isn't complete.

K. DIRECTOR'S FORUM

23. Director's Comments

Director Treabess said that he is looking forward to a joyous holiday season

Director Wilkins asked if there were any thoughts on when the board retreat will take place. Ms. Gustafson said that she will bring it back to the December 2^{1st} meeting for a decision.

Director Reinkens said that he has been approached by the owners of NAPA Auto Parts regarding parking issues. Director Atchley said that she has been approached by three separate businesses regarding the same issue and she is checking into it. She will report back later.

L. MEETING REVIEW AND STAFF DIRECTION

24. Meeting Review

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

- *Staff will continue to work with Placer County on looking for the staging parking areas in town for their project.*
- *Staff will work with Mr. Sexton on preparing the protest 218 notice on the rate increases.*
- *The first committee meeting of the consultant selection committee will be called and we will discuss the policy itself and take a look at next year's proposed projects.*
- *Staff will prepare a recap for the board on where we stand with the various trail projects.*

- *Mr. Bolton will bring back the Rideout committee issue.*
- *Ms. Gustafson will bring back some possible dates for next year's board retreat.*

M. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

25. Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9: One potential case.
26. Government Code Section 54954.5, Closed Session/Real Property Negotiations. Closed Session for purposes of constituting Negotiation Team on behalf of proposed Improvement District No. 1 for voluntary acquisition of Lake Forest Water Company system and consulting with those persons who may be members of the team.
27. Government Code Section 54956.9, Closed Session: Conference with counsel in regard to existing administrative proceedings before the Public Utility Commission in regard to the Lake Forest Water Company.

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

28. TCPUD v. St. Francis Lakeside Homeowners Assn.

PUBLIC EMPLOYMENT

29. Evaluation of Performance of the Director of Accounting and General Services

N. CLOSED SESSION REPORT

Mr. Sexton reported that on item #25, staff and the attorneys briefed the board and the board gave direction to staff. No action taken. On item #26, staff briefed the board on the status and no action was taken. On item #27, Counsel reported on activity before the Public Utility Commission and no action was taken. Regarding #28, Counsel updated the board on the status of litigation. No action taken. Regarding item #29, the manager updated the board on the status and performance of the Director of Accounting and General Services. No action taken.

O. ADJOURNMENT

The meeting was adjourned at 11:35 p.m.

Lou Reinkens, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton