

REGULAR BOARD MEETING
APPROVED MINUTES

December 15, 2006

DIRECTORS PRESENT: President Ron Treabess
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
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 8:32 a.m. Mr. Homolka led the audience in the Pledge.

B. OATH OF OFFICE

1. Swearing in of Director Dan Wilkins

The District Clerk swore in Director Wilkins.

C. AGENDA AMENDMENTS AND APPROVAL

2. Agenda Deletions, Changes and Audience Requests

Mr. Lourey asked that items 18 and 19 be switched from motion items to resolutions.

Members of the audience expressed an interest in the Water and Sewer Report and the Parks and Recreation Report. These items will be moved to the front of the agenda.

3. Additions to Agenda

None.

4. Approval of Agenda

Motion to approve the agenda as amended: Atchley/Henrikson/4-0

D. PUBLIC FORUM

Several seniors were in the audience to hear an update on Rideout Elementary School. Mr. Lourey reported that he and Mr. Bolton had a meeting with school district personnel regarding TCPUD's use of Rideout. The school district is being very flexible in working

out some potential trial options with us. We are looking at a possible six-month trial option beginning in January with an option to make it longer. Ms. Gustafson and Mr. Bolton met with Sue Rae Irelan as a follow up to the big public meeting on this issue. Ms. Gustafson said that the first two programs that would move over to Rideout are the Seniors Club and the Tahoe Mothers Club. They are planning to have a potluck fundraiser as an open house event in the middle of January with the community groups assisting. Bob Hartsfield said that the seniors would love to be able to use Rideout for bridge, crafts, etc. and will do anything possible to assist.

Mrs. Bray asked for an update on computer modeling for the private water company issue. Mr. Back reported that Nolte's final draft should be ready for the District in April. Some answers will be available earlier. Ms. Gustafson noted that the District is planning on having a workshop on the private water systems in January.

E. FINANCIAL

All items covered under consent calendar.

F. PROJECTS

5. Approval of Updated TCPUD Standard Specifications

Mr. Homolka reported that this document is very comprehensive and most of the changes on it are not corrections but are updates and enhancements. His recommendation was to approve the updated documents. Mr. Beckman noted that the specifications are current with California standards.

Motion to approve: Atchley/Wilkins/4-0

G. WATER AND SEWER UTILITIES

All items covered under consent calendar.

H. PARKS AND RECREATION

All items covered under consent calendar.

I. CONSENT CALENDAR

Motion to approve: Atchley/Henrikson/4-0

6. Minutes

October 13, 2006
October 17, 2006
October 27, 2006
November 6, 2006
November 16, 2006
November 17, 2006
November 29, 2006

7. Finance Report

8. 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
9. Lakeside Trail Phase IV – Pay Estimate #8
10. Heritage Plaza – Pay Estimate #2
11. Midway Trail Slope Failure Repair Project
 - a. Pay Estimate #3
 - b. Partial Release of Retention
12. McKinney Water Line Replacement – Partial Release of Retention
13. Lakeside Trail IIB
 - a. Change Order #5
 - b. Pay Estimate #9

J. RESOLUTIONS/ORDINANCES

14. Resolution Amending Resolutions Establishing Rental Fees and Charges for Park and Recreation Facilities

Ms. Gustafson explained that the rates weren't raised last year so this year fees are going up 10%.

Motion to approve Resolution #06-35: Henrikson/Wilkins/4-0 by roll call vote

15. Approving a Cooperative Agreement with Placer County Redevelopment Agency

Mr. Homolka explained that this agreement is for the parking structure in the marina. He recommended approval.

Motion to approve Resolution #06-36: Henrikson/Atchley/4-0 by roll call vote

16. Resolution to Finish Rubicon Supplemental Payments

Mr. Dykstra went over the payments and explained how the people that did early buyouts will be refunded any extra money they spent. Director Atchley asked that a separate letter be sent to customers explaining why they are receiving a bill for the final payment. Director Wilkins asked for some history on the 40/60 split at the workshop.

Motion to approve Resolution #06-37: Wilkins/Atchley/4-0 by roll call vote

K. GENERAL

17. Reports

Mr. Dykstra reported that he went to Placer County and picked up \$1.5 million to cover the District's bills.

Mr. Homolka reported that they are in the final steps of plan and spec revisions for the Harbor Master Pump Station and they are hoping to call for bids the first or second week of January.

Ms. Gustafson reported on Heritage Plaza and noted that she has been working with the Rotary on their historical interpretation for the project. Director Atchley noted that she received a call from a business owner across the street from the plaza asking how the amphitheater may impact her business.

Ms. Gustafson reported that several meetings have been held relating to the concert series. TCDA is looking at doing a summer kickoff on June 23 and 24. Bob Bolton has been approached by the Tahoe Adventures Series to do a race out of Commons Beach on the 23rd and that weekend will be quite busy in town.

Mr. Lourey complimented staff on their attitudes and behavior during the process of negotiations. He said that he has been impressed with how staff has continued with business as usual even though at impasse. He thanked everyone for contributing to the process.

Mr. Lourey reported that he has been in contact with the State Park Superintendent to talk about maintenance and snow removal at Mackinaw. He said that they would like the District to take over the maintenance of the Gatekeeper portion of the outlet area. Details are being worked out now and he will report back later.

Director Henrikson reported on the dedication ceremony for the water reclamation plant expansion that took place on December 13th at TTSA. He noted that he was the only board member that showed up from TCPUD. It was discovered that the invitation was not seen by the entire Board. It was then decided that invitations that come to the Board in the future would be sent to the members individually instead of placing them in the General Correspondence section of the board books.

18. Tahoe City Public Utility District Retiree Health Insurance Premium Reimbursement Plan (Resolution #06-38)

Mr. Dykstra explained the plan and noted that there are no specific dollar amounts included. He said that our attorneys feel that the plan sets in place a reimbursement method that will let us qualify to pay the premium reimbursements without creating taxable income for the retirees. Mr. Dykstra will be the plan administrator so that there will be a level of appeal to Mr. Lourey if needed.

Motion to approve Resolution #06-38 with the appointment of Jim Dykstra as the administrator: Henrikson/Atchley/4-0 by roll call vote

19. Tahoe City Public Utility District Flexible Spending Plan (Resolution #06-39)

Mr. Dykstra explained that this plan provides a method for the District to provide dollars to active employees for them to purchase health, dental, vision, etc., without generating taxable income for them.

Motion to approve Resolution #06-39 with the appointment of Jim Dykstra as the administrator: Henrikson/Atchley/4-0 by roll call vote

20. Election of 2007 Board Officers

President Treabess explained the way the Board traditionally rotates officers.

**Motion to nominate Lou Reinkens as President: Henrikson/Wilkins/4-0
Motion to nominate Kelly Atchley as Vice President: Wilkins/Henrikson/4-0**

21. 2007 Meeting Calendar

The Board held a discussion on what would work best for the 2007 calendar. Director Atchley is not available for the scheduled May meeting date and the members present selected May 23rd instead. Director Wilkins has a conflict with Thursday evening meetings and the Board discussed moving the meetings to Wednesday evenings instead. Since Director Reinkens wasn't present at the meeting to provide input, this item will come back to the Board at the January 19th meeting for action.

22. 2007 Committee Assignments and Meeting Schedule

Mr. Lourey said that he usually meets with the incoming Board President to go over the assignments and schedule before the first meeting in January. He asked that any input that directors might have about committee assignments be given to him before that meeting. The Board moved this item to the January meeting.

23. General Correspondence

There was no input.

L. DIRECTOR'S FORUM

24. Director's Comments

Director Wilkins wished everyone a Merry Christmas and a Happy New Year.

Director Atchley thanked Director Wilkins for sitting in on the summer concert series meeting for her. He said that he was very impressed with the level of knowledge and dedication to the program that he saw at the meeting.

President Treabess said that he is looking forward to seeing everyone at the Christmas dinner this evening.

M. MEETING REVIEW AND STAFF DIRECTION

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

- *Staff will provide updates on the water system modeling as pieces arrive*
- *Staff will get rationale on the Rubicon payments from 1985*
- *Staff will revise the meeting calendar based on comments at this meeting and bring it back to the January meeting*
- *Mr. Lourey will follow-up with NTPUD to set up a Joint Recreation Center Committee meeting to clean up unfinished business so that the committee can be dissolved*
- *Staff will send out a separate letter to Rubicon customers regarding their final payment*
- *Invitations will not be included in General Correspondence*

N. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
SUBDIVISION (a) OF SECTION 54956.9

25. TCPUD v. St. Francis Lakeside Homeowners Association

CONFERENCE WITH LABOR NEGOTIATOR – GOVERNMENT CODE SECTION
54957.6

26. District Representatives – Robert Lourey, Cindy Gustafson, Jim Dykstra
Employee Organization – All Employees

O. CLOSED SESSION REPORT

Regarding item #25, Mr. Sexton reported out that there was no reportable action out of closed session. Regarding item #26, staff was given direction to move forward with the scheduled mediation with the Employees Organization.

P. ADJOURNMENT

The meeting was adjourned at 10:35 a.m.

Lou Reinkens, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton