

REGULAR BOARD MEETING
APPROVED MINUTES

December 21, 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
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. Dykstra led the audience in the Pledge.

B. AGENDA AMENDMENTS AND APPROVAL

1. Agenda Deletions, Changes and Audience Requests

There were none.

2. Additions to Agenda

There were none

3. Approval of Agenda

Motion to approve the agenda: Wilkins/Atchley/4-0 (Director Henrikson had not yet arrived)

C. PUBLIC HEARING

Director Reinkens read the Public Hearing Notice aloud and explained that the District received a request from Placer County (County) to defer final action on this resolution until the next board meeting. Mr. Lourey explained the history of the ownership of the land that underlies sidewalks adjacent to commercial property in Tahoe City and the process that TCPUD is following to vacate its fee interest in the land. He further explained that County's counsel was not fully aware of what we intended to do and is not comfortable with action being taken today. Mr. Sexton explained that TCPUD started to take action to alert the property owners that we intended to vacate our interest in the land in 2005. He went over the resolution and explained the steps that have been taken to legally vacate our interest in the land. He recommended that in return for vacating our interest, we get an easement in the nature of public access, utilities, and a reminder that the property owner has an obligation to maintain the sidewalk area in accordance

with Ordinance 240. He also noted that Director Wilkins gave him a copy of a Maintenance Hold Harmless Agreement that he will study and try to incorporate into the easement. He said that since the County expressed concerns about the District moving ahead today, he recommended going on with the public hearing, consider any protests that may come in, have a discussion on what they want to do, but then wait until the next board meeting to take action.

Director Reinkens opened the hearing for comment at 8:40 a.m. Director Henrikson asked what the benefit is to the District or the property owner to do this transaction. Wally Auerbach explained how the transfer of the property would help his client with clearing up some problematic issues on his title. He said that it will also help with cleaning up title in general for TCPUD with boundary issues. Mr. Sexton noted that he doesn't feel that there is any benefit to the District to retain land underneath the sidewalks downtown.

Jennifer Merchant said that the County just wanted more time to be sure that personnel understand all of the issues and ramifications. She thanked the board and said that they appreciate the District postponing action until the next meeting.

Director Reinkens asked what the reoccurring costs are going to be for this item. Ms. Black said that it would cost approximately \$1,500 or less per parcel but that that cost would be assumed by the property owner. Director Reinkens closed the public hearing at 8:55 and directed staff to work with the two property owners and the County.

D. RESOLUTIONS/ORDINANCES

4. Resolution of Vacation

This item will be brought back to the January board meeting for action.

E. EMPLOYEE RECOGNITION

5. Bill Back – Service to the District

Mr. Lourey recognized Bill Back for 22 years of service and said that he had played a very significant part in making things better in the District. He gave a history of Bill's employment and awards. Mr. Back said that it was a great opportunity for him to work for TCPUD and appreciated all of the support he received through the years. Director Henrikson added that Mr. Back was selfless and very forgiving of the District during the HAZMAT spill incident. He said that he appreciated it and will never forget it.

F. PUBLIC FORUM

There was no public input.

G. FINANCIAL

All items covered under consent calendar.

H. PROJECTS

All items covered under consent calendar.

I. WATER AND SEWER UTILITIES

All items covered under consent calendar.

J. PARKS AND RECREATION

6. Placer County Clean Air Grant – Purchase of Electric Vehicle with Surplus Parks Funds

Ms. Gustafson explained that since Bob Bolton was out of town, she would cover this item. She explained that this is asking for authorization to purchase an electric vehicle for which the District received a \$14,000 grant to apply to the cost. She explained that Mr. Bolton has an \$80,000 surplus in this year's budget which will be used for part of the purchase. Roger Adamson explained the vehicle and how it would be used.

Director Treabess said that he feels that this is the direction that the District should be going. Director Wilkins said that he supports this purchase and would like to see the District put together a fleet replacement plan in the next year which would include inventories, rationale on why we have the various equipment and the annualized replacement cost of the fleet. Mr. Lourey said that we do have that type of inventory except for the rationale section. Staff will update the plan. Director Henrikson said that he supports this because he believes zero emissions is the way we should go and because more than half is being paid for, but he would rather pay for something where we would get more bang for the buck. Director Wilkins asked that the purchase be used as a marketing opportunity. Director Atchley said that the plan should also have the green option when vehicles come forward for replacement.

**Motion to approve the allocation of \$10,896 for the vehicle:
Treabess/Atchley/4-0 (with Director Reinkens voting no since there are less expensive alternatives for clean options)**

K. CONSENT CALENDAR

Director Henrikson asked to pull item 7; Director Reinkens asked to pull item 8.

Motion to approve the remaining consent calendar: Henrikson/Treabess/5-0

7. Minutes – November 30, 2007 Board Meeting

Director Henrikson asked to pull the minutes for discussion since he wasn't at the meeting. He thanked the board for reading his thoughts about the proposed water and sewer rate increases at the meeting. He asked where the tax money is going to go that they are intending to replace by rate increase for the water. Mr. Lourey said that it would reduce debt and allow us to borrow less. Director Treabess said that he believed that the money would be put into a reserve which would allow us to have the ability to decide how to use the property tax later. That item will be further discussed at the strategic planning session. Director Treabess said that he didn't feel that the board had a good rationale for selecting a rate hike in sewer the way that they did in water and that is why he voted against it. He is supportive of the board decision, however.

Motion to approve the minutes: Henrikson/Atchley/5-0

8. Finance Report

Mr. Dykstra reported that Placer County is sending a \$1.6 million check today for property taxes. He is also going to borrow money from Plumas Bank until we can get money from the state revolving fund for the year-end financials.

Ms. Gustafson went over a handout from ACWA regarding the state's fiscal picture for next year. She said that all state agencies are being asked to run scenarios with a 10% budget cut for next year and that we need to have a plan in place in case this happens. She reported that we have been asked by ACWA to send a letter to our legislators to let them know that we oppose their taking money from our property tax. Ms. Gustafson said that staff will begin on a plan and prepare the letter.

Motion to approve: Atchley/Reinkens/5-0

9. 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

10. Blackwood Sewer Pump Station Flood Protection – Approval of Task Order No. 2 to the Professional Services Agreement with Auerbach Engineering Corp.

11. Harbor Master Pump Station – Pay Estimate #8

L. RESOLUTIONS/ORDINANCES

12. Facility Rental Fee Schedule

Ms. Gustafson said that she is handling this item for Bob Bolton. She said that staff proposed a 10% rate raise. Director Treabess noted that the projected increase for maintenance and operations of District facilities is approximately 12% in 2008 and that's a good reason to do a 12% rate raise.

Motion to approve Resolution #07-22 with the understanding that the rate structure be amended to 12%: Treabess/Atchley/5-0 by roll call vote

M. GENERAL

13. 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 Bob Bryant has asked staff to write a letter to our legislators commending CalTRANS for their continued support for snow removal downtown because CalTRANS staff is talking about running out of money.

She also reported that staff had a meeting this week with the Army Corps of Engineers to discuss a new authority that was just put into place. The California Public Water Purveyors are going to ask for funding for public water supply fire suppression needs. She said that she may be going to a meeting with full-time lobbyists from South Tahoe PUD to pursue this authority to get some money for our needs. Staff is currently working on the plan. Director Reinkens asked that the board be able to review what staff puts together. Director Treabess said that if we could have the lead on this project, it would be a greater benefit to the entire basin. Director Wilkins said that he's comfortable with an oral report on what's happening so that it doesn't slow staff down. Mr. Sexton said that staff can get feedback from the board members individually on this matter. He also noted that things need to move quickly or election year politics will take over and nothing else will happen in 2008.

Ms. Gustafson said that she and Tony Laliotis have been in contact with Jim Rice, a Tahoe Park resident. He has been asking factual questions and they have been giving him factual answers. Mr. Rice scheduled a meeting with the fire department, Mr. Dewante, Mr. Laliotis, Mr. Lourey, and Ms. Gustafson to find out what the best scenario is for Tahoe Park for fire protection. Ms. Gustafson said that Mr. Rice was the only resident in attendance and she wasn't sure if any other residents were notified.

Ms. Gustafson gave an update on Rideout. She said that January 15th looks like the date that staff will move to that site. People will be directed to Rideout for registration and facility rentals. She noted that we don't have a lease agreement with TTUSD and are continuing with the MOU that is already in place. Director Atchley asked for a report on the impact that the restructuring committee may have on the Rideout scenario. Ms. Gustafson noted that Project Learn won't move to Rideout until next school year.

Mr. Lourey said that he and Mr. Laliotis met with two Timberland homeowners dealing with their water situations. They exchanged information and he provided them with our board policies regarding private water companies and talked them through their options.

14. Election of 2008 Board Officers

**Motion to elect Director Atchley as president: Henrikson/Wilkins/4-0
(Director Atchley abstained)**

**Motion to elect Director Henrikson as vice president: Wilkins/Atchley/4-0
(Director Henrikson abstained)**

15. 2008 Meeting Calendar

President Atchley led a discussion on meeting dates for 2008. A draft of the selected dates is attached to these minutes. An all day meeting on February 26th was selected for the strategic planning session.

16. 2008 Committee Assignments and Meeting Schedule

President Atchley asked the board to consider the committee assignments for discussion and action at the January meeting. She asked the board to send her their comments.

17. General Correspondence

President Atchley explained that the LAFCO information included in the board book presents an opportunity for the board to add somebody to be a part of El Dorado LAFCO. We have worked with South Lake in the past without participating directly.

N. DIRECTOR'S FORUM

18. Director's Comments

Director Treabess thanked Mr. Back for his years of service to the District. He said that he appreciated his contributions and enjoyed working with him.

Director Wilkins said that he wished that he could have worked with Mr. Back longer. He asked about the Prop. 50 grant that looked as if it wasn't scored properly. Mr. Lourey said that he agreed and had asked them to check the scoring. They replied that it was done correctly. Mr. Lourey said that we didn't think our chances were that great to begin with so isn't pushing further. Ms. Gustafson said that she will contact Patrick Wright and see what he thinks the District should do.

Director Henrikson wished everyone happy holidays.

Director Reinkens congratulated Mr. Back and thanked him for how professionally he handled the nasty spill.

Director Atchley told Mr. Back that his decision to retire is a good one.

O. MEETING REVIEW AND STAFF DIRECTION

Meeting Review

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

- *The sidewalk vacation issue will be brought back to the board in January with a staff report from Mike on the issue.*
- *The fleet inventory will be brought back to the board with any green options that are available.*
- *Staff will begin looking at the budget to prepare for the possibility of state borrowing and Ms. Gustafson will send a letter asking them to leave us alone.*
- *We will increase recreational facility fees to 12%.*
- *We will get copies of the water plan that is being prepared to the individual board members for their comments.*
- *Ginger will make revisions to the meeting schedule and furnish to the board.*

P. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

19. Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code Section 54956.9: One potential case.

20. 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.
21. 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)**

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

PUBLIC EMPLOYMENT

23. General Manager; Assistant General Manager

Q. CLOSED SESSION REPORT

Mr. Sexton reported the following out of closed session:

19. *The board gave staff direction on developing a proposal to lessen the District's exposure on this item and asked the attorney to make appropriate contacts.*
20. *Staff reported that appraisal work was ongoing and would report back at the next meeting on the status. No further action was taken.*
21. *The attorney reported that the administrator law judge of the PUC had not taken any action since the last hearing. No further action was taken.*
22. *Counsel announced that at a case management conference this week the court set the matter for a two day court trial beginning on June 23^d with pre-trial conference set for June 13th and a settlement conference for June 6th. Trial to be held in the Auburn courthouse.*
23. *The board evaluated the performance of the General Manager and the Assistant General Manager. They indicated that they were going to start the process of establishing a contract with the Assistant General Manager and appointment process for the General Manager probably at the February board meeting.*

R. ADJOURNMENT

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

Catherine K. Atchley, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton