

REGULAR BOARD MEETING
APPROVED MINUTES

April 17, 2006

DIRECTORS PRESENT: President Ron Treabess, Vice President Ric Winter
Directors Lou Reinkens, Kelly Atchley, Erik Henrikson

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 and Recreation
Bob Bryant, Executive Assistant to the General Manager
Mike Sexton, Legal Counsel

A. CALL TO ORDER – PLEDGE OF ALLEGIANCE

President Treabess called the meeting to order at 5:30 p.m. and led the audience in the Pledge.

B. AGENDA AMENDMENTS AND APPROVAL

1. Agenda Deletions, Changes and Audience Requests

The Board deferred item #4, item #18, and asked that item #6 be held at 6:00 p.m. for an expected audience.

2. Additions to Agenda

None.

3. Approval of Agenda

Motion to approve agenda: Reinkens/Winter/5-0

C. RECOGNITION

4. Award – Supervisor Certification Program Certificate of Completion and Plaque to Jack Beckman from ACWA JPIA

Tabled.

D. FINANCIAL

All items covered under consent calendar.

E. PROJECTS

5. McKinney Water Line Replacement – Award Bid

Mr. Back reported that we received three bids for this project. He recommended that the District award the bid to the lowest responsive bidder, Herb Suter Construction, at \$690,350.00.

Motion to approve: Henrikson/Atchley/5-0

F. WATER AND SEWER UTILITIES

All items covered under consent calendar.

I. CONSENT CALENDAR

Director Henrikson asked to pull item #10. Director Reinkens asked to pull items #8 and #9-b, and Director Atchley asked to pull item #9-a.

Motion to approve the balance of the consent calendar: Atchley/Winter/5-0

7. Minutes – March 17, 2006

8. Finance Report

Director Reinkens stated that he pulled this item since there was no Finance Committee Meeting this month. Mr. Dykstra said that the report this month was routine and there was no meeting due to a problem with getting the committee together. Director Reinkens wanted to point out that the reserves are down. Mr. Dykstra explained that money was taken out of the reserves to fund intra-structure.

Motion to approve: Reinkens/Atchley/5-0

9. General Manager and Staff Reports

a. General Manager

Director Atchley asked how the Farmers Market project is progressing. Mr. Lourey reported that the District had a meeting with a number of parties including Placer County Planning Staff and our traffic consultant. It was determined that the District would prepare a proposal to the Placer County Planning Department which laid out what we are willing to do to mitigate the parking deficiency. The proposal has been completed and submitted to the Placer County Planning Department. They are using our proposal to prepare their staff report to go to the zoning administrator. Our proposal includes the use of the Resort Association funded trolley, an agreement for parking from the Blue Agave and Cobblestone, and our policing of the county parking lot near the firehouse to make sure that as many spaces as possible are freed up prior to the opening of the Farmers Market every morning. Mr. Lourey will forward a copy of the memo that went to Placer County to each Board member. He noted that there would be a

zoning administrator hearing on May 4th to support the Farmers Market staying at Commons Beach. Director Atchley said that there is a lot of misinformation out in the public and she would like information to get out as soon as possible after it is firm.

Motion to approve: Atchley/Winter/5-0

b. Sewer and Water Report

Director Reinkens noted that the sewer flows are up. Mr. Back said that flows are up because we had the wettest March in history. He has found places that need repairs and is making a list of work that needs to be done when it dries up.

Motion to approve: Reinkens/Atchley/5-0

- c. Public Works
- d. Parks Activity Report
- e. Recreation Activity Report
- f. Project Development Report
- g. Assistant General Manager Report
- h. District Engineer Report

10. Agreement for Professional Services – Midway Trail (Sta. 14+50) Slope Failure Repair Project

Director Henrikson asked if Marvin Davis works for Auerbach Engineering Corporation. Mr. Homolka explained that Mr. Davis did work independently when we hired him to go out and check the project but has since joined Auerbach. Director Reinkens was concerned about the appearance it would make if the person that checks the failure works for the engineer who originally designed the project. Mr. Lourey responded that it was determined that this failure was not caused by design flaw before Mr. Davis worked for Auerbach. Ms. Atchley voiced her opinion that it is in the District's best interest to work with original plan design and continue forward instead of spending the money to evaluate it all over again. There was a conversation among staff and the Board on why there was no armoring on the toe of the slope. Mr. Homolka pointed out that Lahontan would not allow it and staff voiced their displeasure with Lahontan's decision. Mr. Bryant explained the FEMA process and how the District would receive payments over time.

Motion to approve: Henrikson/Atchley/4-1 (Reinkens voted no)

G. PARKS AND RECREATION

6. Potential Lease of Rideout School

Mr. Bolton explained the District's need to continue to be able to use the gym at Rideout School and went over possible options that the District would consider for leasing the building, including the budget. The Board voiced concerns about the ability to be able to lease the vacant space, the cost of utilities, and the possibility of purchasing the property in the future if the District decides to sell it.

Sue Rae Irelan said that she believes that the area cannot afford to let any of the youth recreation areas that come at such a premium slip away. She suggested moving any recreation programs being held at the community center to Rideout since there are so few uses that are allowed there. Suzanne Wilkins, President of the Tahoe Mothers Club, said that some groups in the area would possibly rent rooms at Rideout because it is better suited for their needs. Mr. Lourey noted that if the Board decided to do the lease, the impact to the '06 budget for this item would be considered a justifiable variance and we would try to make it fit within our existing budget as we roll through the rest of the year.

Motion to comply with the process that is underway and prepare a minimum bid with the minimum requirements for 10 years: Reinkens/Atchley/5-0

H. PUBLIC FORUM

None.

The Board took a five-minute break.

J. RESOLUTIONS/ORDINANCES

13. Resolution #06-13 - Establishing a Wastewater Capital Reserve Fund in Accordance with the State Water Resources Control Board's Requirements of the State Revolving Fund Loan Program

Mr. Dykstra explained the requirements for this program and recommended approval.

Motion to approve: Reinkens/Winter/5-0 by roll call vote

14. Resolution #06-14 – Dedicated Source of Revenue

Motion to approve: Reinkens/Henrikson/5-0 by roll call vote

15. Resolution #06-15 – Requesting Collection of Charges on Tax Roll – Placer County

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

16. Resolution #06-16 – Approving and Authorizing Execution of Agreement with the County of El Dorado for Collection of Special Taxes, Fees, and Assessments

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

17. Adoption of Revised Sewer Ordinance

Mr. Back thanked Debi Black and her staff for the work they have done on this ordinance for the past four years. The old ordinance was done in 1978 and has had revisions done ever since. He said the District needed a new document with a fresh starting point, which will be reviewed at least annually. Mr. Lourey noted that the Sewer and Water Committee have reviewed this document and the changes recommended by them have been incorporated into the document. Mr. Henrikson said that the double cleanout system issue is not clear in the ordinance and needs to be detailed as to when the systems need to be upgraded. He was also concerned with water pressure inspections being done by the Public Utility District instead of the County. Director Winter reminded everyone

that this is a fluid document and if changes need to be addressed, the Board is able to do so.

Motion to approve: Winter/Reinkens/4-1 by roll call vote with Director Henrikson voting no

18. Consideration of Fee Schedule Revision

Tabled.

K. GENERAL

19. Reports

Mr. Dykstra reported that the District opened a c.d. for about \$17,100 to guarantee our tax deposit.

Mr. Bolton reported that on March 31st they held a dinner for seniors to discuss programs they would enjoy. He felt it was a success and noted that Lanza's donated the dinner and other restaurants donated raffle gifts. He also reported on the Easter Egg Hunt at Commons Beach. Approximately 525 people showed up even though it was a blustery day.

Ms. Gustafson reported on getting the conservancy continued funding. She said that a bill has been introduced by Senator Tim Leslie that will be giving money to the California Tahoe Conservancy, which will help many of the projects that the District is interested in. Gustafson also reported on the North Tahoe Regional Advisory Council. She said that the Middle Fork Project is included in a proposal by Bruce Kranz and that this proposal would be a great revenue source for the District. She will discuss it further at the next meeting. Ms. Gustafson also reported that she has been talking to Kendy Hooper about the availability of parking at the gas station during the summer. She will keep the Board posted on developments with this item as they occur.

19.5 TCPUD Board Seat #1

President Treabess asked Mr. Sexton to brief the Board on the history of how Board seats are filled and what they need to do to fill Mr. Winter's seat. Mr. Sexton explained that the Board should have two seats elected by territorial unit within the counties (one for Placer and one for El Dorado). He explained that the law says that if any part of the District is in Placer County, a resolution can be adopted determining that all seats will be at-large. He recommended that the Board adopt a resolution at the May meeting to take advantage of the law to have all directors be at-large. The Board of Supervisors of Placer County would then need to approve it.

Mr. Sexton then explained to the Board about the windows of opportunity that need to be followed so that the process doesn't default to the County. The Board will immediately notice the opening, give community members about 30 days to respond, interview applicants before the June meeting and appoint the new member at the June meeting.

Mr. Treabess read Mr. Winter's resignation letter and said that it is with significant regret that the Board accept the resignation. He then read the inscription on the plaque that was presented to Mr. Winter and thanked him for his years of service. Mr. Lourey thanked Mr. Winter for his support and advice over the years and noted that he felt that Mr. Winter was an outstanding Board member who always made himself available.

Mr. Winter expressed his appreciation for the staff, especially Mr. Lourey and Ms. Gustafson. He thanked everyone for working as a team and for making sure that the Board gets all the information it needs to make good decisions. He also shared a concern that he has with the District. This District was very much community minded when he first began but internally it was bankrupt. He said that staff has worked very hard to get the internal organization squared away but cautioned the Board and staff to remember their mission and to not let outside forces shift their focus. He said that their commitment is to sewer and water and to not lose sight of that commitment.

L. DIRECTOR'S FORUM

20. Director's Comments

Atchley: Director Atchley noted that she has a conflict with the May meeting and was hoping it could be switched. The Board selected May 24th for the next meeting. Finance Committee will be held on the 15th.

Reinkens: Director Reinkens recognized Mr. Winter for all of his contributions to the community and the Board through the years.

Henrikson: Director Henrikson wished Mr. Winter the best and thanked him for working on the Board.

Treabess: Director Treabess questioned if the Board should revisit the level of security for which projects are designed (10, 20, 50 years).

M. MEETING REVIEW AND STAFF DIRECTION

None.

O. CLOSED SESSION REPORT

Mr. Lourey noted that since there was nothing new to report, there would be no closed session at this meeting.

**Conference with Legal Counsel – Anticipated Litigation
Significant Exposure to Litigation Pursuant to Subdivision (b) of Government Code
Section 54956.9**

21. One potential case involving a dispute as to the responsibility for maintenance of facilities on property that was annexed to the District in the 1970's.

**Conference with Legal Counsel – Threatened Litigation or Administrative
Proceedings – Government Code Section 54956.6.**

22. One potential case involving the removal from public record of the Notice and Certificate of Unpaid Water Charges recorded on September 29, 2004, as Series #2004-0128854, Placer County Records.

P. ADJOURNMENT – 8:20 p.m.

Ron Treabess, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton, District Clerk