

BOARD MEETING
APPROVED MINUTES

January 21, 2011

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

STAFF PRESENT: Cindy Gustafson, General Manager
Jim Dykstra, Director of Accounting & Employee Services/Treasurer
Matt Homolka, District Engineer
Tony Laliotis, Director of Utilities
Bob Bolton, Director of Parks and Recreation
Mike Sexton, Legal Counsel
Ginger Charlton, District Clerk

A. CALL TO ORDER

President Treabess called the meeting to order at 8:30 am and led the audience in the Pledge.

B. OATH OF OFFICE

1. Swearing in of Directors Lou Reinkens and Dan Wilkins

Ms. Gustafson led the swearing in of the directors.

C. AGENDA AMENDMENTS AND APPROVAL

2. Agenda Deletions, Changes, and Audience Requests

Ms. Gustafson explained that the agenda was revised within the time limits of the regular posting to include item #17.5.

3. Additions to Agenda
4. Approval of Agenda

Motion to approve the revised agenda: Reinkens/Friedman/5-0

D. RECOGNITION

5. Deb Rose – 10 Year Service Recognition

Mr. Dykstra thanked Ms. Rose for her service over the past 10 years. Ms. Gustafson added that Deb often does big projects that take a lot of time and she appreciates her help.

6. Employee Special Recognition

Ms. Gustafson said that she wanted to recognize some staff members for doing things that often go unnoticed. She recognized Parks staff for covering seven days a week during record snowfalls and keeping our facilities open. She also recognized Utilities staff to the extra work they did with the snow storms and power situations over the past few months. They worked extra during the holidays and she thanked them for their devotion and commitment to our customers and community.

Director Treabess thanked Director Wilkins for his service as President in 2010 and presented him with a plaque.

E. PUBLIC FORUM

Dr. Fred Ilfeld, past chair of the Tahoe Truckee Community Foundation, attended the meeting to help keep the spirit alive of the Speak Your Peace Campaign that was done last year. He reminded everyone to keep civility and respect in public dialog and reviewed the "Nine Norms of Civility". The Board thanked him for attending.

F. FINANCIAL

All items covered under consent calendar.

G. PROJECTS

All items covered under consent calendar.

H. SEWER AND WATER UTILITIES

7. Lake Forest Water Company Acquisition Update

Mr. Laliotis reviewed an update that he provided at the meeting. Mr. Laliotis and Mr. Sexton answered questions of Board members and discussed how the court will deal with the various appraisals.

8. California Urban Water Conservation Council Membership

Mr. Laliotis explained that this group sets forth guidelines and best management practice guidelines for us to follow in implementing our water conservation programs. Dues are approximately \$2,500 per year and the District has already applied for membership.

9. Contract with Placer County Redevelopment Agency for Funding

Ms. Gustafson said that Bob Lourey has been working on some of these Lake Forest issues due to staff's workload. He called to make sure we could get this locked in before any changes happened with the State budget. They were very willing and wanted to honor their commitment to us and get this locked in as soon as possible. The contract has been revised and they have given us a very broad agreement on the funding for the reconstruction of the Lake Forest Water System. Mr. Sexton reviewed the indemnification language changes that were made in the contract and said that if the Board approves the contract, they need to keep in mind that the indemnification requirements are all one sided and staff needs to understand the consequences of that.

Motion to approve the contract: Wilkins/Reinkens/5-0

K. RESOLUTIONS

17.5 Resolution Making Findings to Accept Funding from Placer County Redevelopment Agency

Mr. Sexton reviewed the findings and explained why the County wanted this resolution with language that no other reasonable means of financing the improvements are available as suggested by the lawsuit.

Motion to approve Resolution No. 11-03: Reinkens/Wilkins/5-0 by roll call vote

I. PARKS AND RECREATION

All items covered under consent calendar.

J. CONSENT CALENDAR

Director Reinkens pulled item #11, the Finance Report. Director Henrikson pulled item #10-a, Parks and Recreation Committee Meeting minutes.

Motion to approve balance of the consent calendar: Reinkens/Wilkins/5-0

10. Minutes

- a. Parks and Recreation Committee – December 8, 2010
- b. Finance Committee – December 10, 2010
- c. Sewer and Water Committee – December 15, 2010
- d. Board Meeting – December 17, 2010
- e. Special Board Meeting – January 10, 2011

Director Henrikson asked why Gary Spohr wants a second farmers market. Ms. Gustafson explained that he wasn't allowed to join the first market because someone already sells fresh fish there. Staff has asked the Director of the Farmers Market and her Board members to attend the next Parks and Recreation meeting to explain why they make the decisions that they do. Other issues about the Farmers Market were raised and Ms. Gustafson said that an item will be coming to the Board in the near future to discuss all the issues.

Ms. Gustafson asked to change the wording on item #1 on the Parks and Recreation Committee minutes as follows: The Historical Society is thinking about making a museum exhibit of bicycles.

Motion to approve: Henrikson/Friedman/5-0

11. Finance Report

Director Reinkens reported that at the last Finance Committee meeting, Mr. Dykstra reviewed an analysis that he had done with respect to the District's retirement plan. He voiced his concern on the issue and asked for a workshop on it as soon as possible. Director Wilkins asked for Mr. Dykstra to produce a spreadsheet on what his best estimates are on the increased annual PERS contribution increase per our labor contract and what that dollar amount represents. Director Reinkens asked if it could be done on Excel so that it could be tweaked during discussion. Director Treabess suggested reviewing what will be discussed at the workshop a month before it takes place so that Board members can request information for the items.

Motion to approve: Reinkens/Wilkins/5-0

12. General Manager and Staff Reports
13. Tahoe Tavern Heights BPS and Well Rehabilitation Project
 - a. Progress Pay Estimate No. 8
 - b. Contract Change Order No. 3
 - c. Notice of Acceptance of Completion
14. North Tahoe Arts Restructure Proposal
15. Parks and Recreation Advertising and Marketing Services Proposals
16. Employment Agreement with General Manager

K. RESOLUTIONS/ORDINANCES

17. Proposition 50 Grant Funding Request

Ms. Gustafson explained that once the District took possession of Lake Forest Water System, we became eligible to apply for this funding. We have been invited to submit a request for up to \$2 million for the project and staff will proceed to work on the packet. It is a significant undertaking to apply for this funding and staff will begin working on it as soon as possible.

Motion to approve Resolution #11-03: Reinkens/Henrikson/5-0 by roll call vote

L. GENERAL

18. Reports

Mr. Bolton reported that a meeting was held yesterday to address issues that downtown property owners had after receiving the letters that were sent to them regarding the sidewalk deficiencies. Some complicated issues were raised about who is responsible for some of the repairs and there is potential for a second meeting to address those issues. The biggest discussion was on raising the pavers and the outcome of the meeting was that the District will go out and look for a potential contractor to do all of the paving repairs for the entire downtown and then come back to the property owners to discuss how the costs would be split up. Director Wilkins said that it's ok for us to find out who contractors may be and refer them to property owners, but our role is not to hire them and figure out apportionments, that is what an assessment district is for. Ms. Gustafson said that she would like to see a revision in the sidewalk ordinance regarding snow removal. There is currently a 24 hour notice and she would like it to be reduced to a couple of hours notice because there are times when the snow becomes compacted and icy after a couple of hours and then it is almost impossible to remove.

Mr. Homolka reported that he and Mr. LeRoy are continuing to try to improve their project reporting. This month they removed all of the project information that was duplicated in the project information sheets and enhanced the lists of currently activities in the Project Activity Report.

Ms. Gustafson reported that the application period for the Director of Resource Development has closed. There were 38 applications. She said some outside people will probably be on the interview panel since there are so many local applicants.

Ms. Gustafson handed out a grant update. She noted that on the Homewood Bicycle Trail Environmental Document, the District is going to need to do a new environmental document that would meet NEPA issues and must be very solid due to private property acquisitions.

Ms. Gustafson noted that the newspaper article in the Sierra Sun on the NTPUD sewer spill reported that it took place on Highway 28 in Tahoe City. That was incorrect. It was on the other side of Dollar Hill in NTPUD territory.

19. General Correspondence

There was no discussion.

M. DIRECTOR'S FORUM

20. Director's Comments and Correspondence

Director Wilkins said that the Board received a letter from Mike Sexton saying he would be retiring in the summer. Director Wilkins feels that the Board needs to figure out their strategy for selecting District counsel very soon. Director Treabess noted that staff is looking into how the last RFP was handled in 1999. The Board decided to form an Ad Hoc Committee to handle this item. Directors Wilkins and Treabess will attend. Director Wilkins thanked Mr. Sexton for all of his service to the District over the years.

Director Henrikson thanked everyone for the card he received while out. He also noted that someone has been blowing snow on Commons Beach.

Director Friedman expressed her pleasure that Ms. Gustafson gave staff praise and agreed that they are doing a great job.

Director Reinkens thanked Ms. Gustafson for putting the grant update chart together. He asked if the District is getting grant management software. Ms. Gustafson said that she would look into it.

Director Treabess reported that he applied for one of the LAFCO special district seats on the Placer County LAFCO Board. He said that he hopes that he has the support of the Board in doing it.

Director Treabess said that he would like to get reports back from staff when Board members ask staff for something without the support of the rest of the Board. Director Wilkins added that there is a line when Board members want to ask staff to do something additional and the Board is going to have to be comfortable with staff saying that it needs to go to Board conversation.

Director Treabess said that the Placer County Planning Division is making a request of the Resort Association for a grant to continue and complete the work that they started a couple of years ago on the Truckee River Corridor. The intent of getting the environmental impact review completed is to have the ability to provide additional fishing access points and bike trail opportunities.

N. MEETING REVIEW AND STAFF DIRECTION

21. Staff will Review Board Action and Direction Given at this Meeting

Ms. Gustafson reported the following:

- Staff will agendaize the Farmers Market item for the Parks and Recreation Committee and the next Board meeting.
- Staff will schedule a workshop on pension issues.
- Staff will send a letter to downtown merchants on the role of the PUD on improvements.
- An Ad Hoc Committee will work on legal representation with Directors Treabess and Wilkins participating.

Mr. Sexton said normally he recommends that Erik Henrikson and Cindy Gustafson not participate in closed session regarding Lake Forest, but the District has been awarded possession of the system and the discussion in closed session won't have anything to do with acquisition or levels of funding so it will be ok for them to participate.

N. CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

22. General Manager

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

23. Eminent Domain Proceeding of Lake Forest Water Company

O. CLOSED SESSION REPORT

22. The General Manager discussed the timing of her evaluation with the Board.

23. The attorney updated the Board on the status of litigation. No reportable action was taken.

P. ADJOURNMENT

The meeting was adjourned at 11:30 a.m.

Ron Treabess, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton