

BOARD MEETING
APPROVED MINUTES

January 26, 2010

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

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

A. CALL TO ORDER

President Wilkins called the meeting to order at 8:30 a.m. and led the audience in the Pledge.

B. AGENDA AMENDMENTS AND APPROVAL

1. Agenda Deletions, Changes, and Audience Requests
2. Additions to Agenda
3. Approval of Agenda

Motion to approve the agenda: Reinkens/Henrikson/4-0

C. PUBLIC FORUM

Director Reinkens said that eight years ago the District had safety problems and a lot of changes were instituted. Safety has improved dramatically and ACWA/JPIA asked him to deliver a check for \$81,814 from the rate stabilization fund for workers compensation liability.

Director Treabess arrived.

D. RECOGNITION

4. Stephen Marrow – 3 Year Service Recognition

Mr. Laliotis reviewed Stephen's history with the District and thanked him for his years of service.

5. Brandi Stirton – 5 Year Service Recognition

Mr. Laliotis reviewed Brandi's history with the District and thanked her for her years of service. Ms. Gustafson added that Brandi routinely volunteers and thanked her for her assistance.

6. Eric Paieri – H. R. LaBounty Safety Award

Doug Olsen explained that this award is for outstanding suggestions in safety. Eric pushed for a mini-excavator to eliminate the safety concerns that staff had on job sites when pulling rocks out of holes. Mr. Olsen presented him with a check from ACWA/JPIA for \$75.

E. FINANCIAL

All items covered under consent calendar.

F. PROJECTS

All items covered under consent calendar.

G. SEWER & WATER UTILITIES

7. El Dorado County Regional Water Master Plan – Professional Services Agreement with Eco:Logic

Mr. Homolka said that staff has been working with PCWA on a regional plan for fire protection with NTFPD, NTPUD, and PCWA. They are preparing a document that we hope to use to obtain some federal funding. The PCWA piece of it only covers Placer County and we are looking to the same consultant to do a supplemental report for us to cover the El Dorado section of our District to make the funding request whole to the District. This work will be fully funded through an El Dorado County grant. Director Treabess added that PCWA is pleased with the work done by Eco:Logic. Ms. Gustafson said that one of our interests is to get the package before our federal representative to help secure funding.

Motion to approve: Henrikson/Treabess/5-0

H. PARKS AND RECREATION

All items covered under consent calendar.

I. CONSENT CALENDAR

Director Henrikson asked to pull item 12; Director Friedman asked to pull the Board meeting minutes on item 8; Director Reinkens asked to pull item 9.

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

8. Minutes

- Board Meeting – November 20, 2009 – as amended
- Finance Committee – December 4, 2009
- Audit Committee – December 4, 2009
- Parks and Recreation Committee – December 10, 2009
- Personnel Committee – December 15, 2009

Motion to approve the Board minutes as amended: Henrikson/Reinkens/5-0

9. Finance Report

Director Reinkens asked Mr. Dykstra to fill the Board in on this report since there was no Finance Committee meeting this month. Mr. Dykstra said that a summary report of the expenditures by vendors was included along with a thick list of all vendors. He reported that we received the first payment on the California Communities Bond Financing. He also reported that 18 applications were received for the Human Resources Administrator position; four candidates were selected for interviews; and the final two will come back for a second round.

Motion to approve: Reinkens/Treabess/5-0

10. General Manager and Staff Reports

- a. General Manager
 - Director of Development and Public Information
 - Director of Utilities
 - District Engineer
 - Project Status
 - Technical Services
- b. Director of Parks and Recreation
 - Parks Superintendent
 - Recreation Superintendent

11. Approval of Purchase – Generator Replacement

12. Business Consultant Agreement with Doyce Boesch

Director Henrikson said that he pulled this item from the consent agenda so that he could vote no because he doesn't agree with it. Director Reinkens said that there are no provisions in the contract to prevent illegal payments. Mr. Sexton said that he doesn't feel it's necessary but could be added if the Board requests. Ms. Gustafson said that a comment could be added that he needs to follow all FPPC regulations as applicable.

Motion to approve as amended: Treabess/Reinkens/4-1 with Director Henrikson voting no

13. Tahoe-Tavern Booster Pump Station Rehabilitation Project – Placer County Grading Plan Deferral

J. RESOLUTIONS

14. Appointing Members of the South Tahoe Public Utility District Board of Directors to Serve as Water Purveyor Representative and Alternate on the El Dorado County Water Agency Board of Directors

Ms. Gustafson said that we have always deferred our seat on this Board to South Tahoe PUD because they are closer and attend the meetings. They keep us informed if there are critical issues. She recommended continuing to defer to them to represent us.

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

K. GENERAL

15. Presentation on Kaizen Method of Management

Director Reinkens reviewed a presentation on the Kaizen Method that he attended at ACWA/JPIA. He said that it's a management philosophy that includes a powerful method of thinking that works and encouraged the District's participation. He added that Dennis Viera offered to come speak to the Board at no cost and if the Board decides to pursue it after the free seminar, it costs \$12,000 and includes 40 hours of training per person. The Board agreed that they would like to see the free seminar and hoped that it could be opened up to offer it to other community groups. Director Wilkins said that he would support having Director Reinkens working with Mr. Viera for the free seminar but doesn't want staff to have to spend a lot of time setting it up.

16. Consultants for Preparation of the Water System Acquisition Workshop

Ms. Gustafson said that staff has been reviewing the history of how the District acquired water systems and then improved them. She said that she feels that consultants who have experience with mutual water systems and acquisitions of private water systems and who have technical expertise neutral from outside the District could be very beneficial to the Board. She recommended Harold Morgan and Shawn Koorn.

Director Wilkins said that the purpose of the workshop is for the full Board and General Manager to develop a philosophy and/or policy for private water system acquisitions as we move forward. He said that the District has handled these acquisitions in various ways over history and the purpose of the workshop would be to have the Board come to an agreement on the District's role in acquiring private systems.

Ms. Gustafson asked Board members to contact her if they have specific thoughts on what they would like to see in this workshop so it's not a waste of their time.

Director Henrikson asked that a model be run for pulling property tax out of our existing rate structure and then what we do in capital projects in our own water system. Director Reinkens asked that the consultants be given our current policy on acquisitions so they would be ready to help.

Motion to authorize the General Manager to put the two consultants under an on-call contract not to exceed \$10,000 total: Reinkens/Treabess/5-0

17. Consideration of Revisions to Auditors Scope of Work

Director Reinkens said that he feels that a separate compliance audit should be done with respect to contracting with Auerbach Engineering and the set of protocols that were set up to ensure that there was no legal conflict. Director Wilkins said that a fair amount of effort was put into establishing protocols and procedures to ensure against conflict and asked if the Board trusts themselves and staff to implement them or should money be spent on an independent third party to come in and review our past year's history to confirm that we followed the procedures. Director Friedman said that she believes the audit is sound business practice and more a matter of perception than a matter of trust.

Mr. Dykstra passed out and reviewed the procedures that the auditors would review for this audit.

Motion to request that the auditors give us a price to do the mentioned scope of work: Reinkens/Friedman/3-2 with Directors Wilkins and Treabess voting no

18. Committee Assignments and Meeting Schedule

Ms. Gustafson said that we had nine committees last year. Consolidating them would help Board members and staff by having fewer meetings that need to be attended monthly and would help staff by eliminating numerous packets and minutes. She reviewed her suggestions for the four committees that would remain, what each would now cover, and how often regular meetings would be scheduled per year.

Motion to approve in concept: Henrikson/Treabess/5-0

Director Wilkins said that he will get in touch with the directors and put together the list of who will be on each committee.

19. Reports

Mr. Bolton updated the Board on the snow storage issue and said that two contractors are signed up to store snow here. Staff is monitoring the activity and things are going well. Mr. Bolton also reported that the Forest Service has provided us with a special use permit application for snow storage but he is recommending that we not fill it out at the present time because they will not approve it unless there is absolutely nowhere else to put the snow. Director Wilkins suggested that in April or May we should have an agenda item for terms and conditions of use of PUD property for snow storage. We could then notify the contractors and commercial property owners and they can decide if they want to use our property or make other arrangements. Ms. Gustafson confirmed with the Board that we won't be filling out the application to the Forest Service and we will inform the County and TCDA. Director Reinkens asked if any sites have been identified on the West Shore. Director Wilkins said that the issue could be discussed in April or May.

Mr. Bolton reported that he and Mr. Adamson will meet with TRCD and TRPA regarding the 2010 inspection process at the boat ramps.

Mr. Homolka reported that the CEQA Mitigated Negative Declaration is complete for the Lake Forest Improvement District and will be posted from February 2nd to March 3rd. The Public Hearing and adoption will take place on March 19th.

Mr. Homolka reported that so far 31 out of 210 gate valves in the McKinney area have failed. The contractor will replace all the gate valves by June 15th and will reimburse all District costs. Mr. Homolka and Mr. Laliotis commended Doug Olsen and his crew for their work on this project during bad weather. Mr. Homolka also commended Jon LeRoy for his work on resolving this contractual issue.

Ms. Gustafson reported that she will be going to D.C. with our federal lobbyist in February. The Board decided that due to the expense, only Director Wilkins will accompany her.

Ms. Gustafson reported that a leadership meeting regarding incorporation took place last week and Director Wilkins attended on the District's behalf. Randy Hill met with over 50 local leaders and officials and feels that there shouldn't be an effort to incorporate the area but to understand how much we contribute to Placer County and that there is a need to get some share of those funds diverted back here. Ms. Gustafson said that since Rich Colwell is leaving, there is an opportunity for the County to focus on a full-time support person for planning and

redevelopment in the Basin. A request for 2 - 3 thousand dollars will be coming to all special districts to help pay for a comprehensive fiscal review of how much we produce for Placer County and how much our expenses are.

Ms. Gustafson said that TRPA is now undertaking workshops on their twenty year regional plan update. Bob Bolton will serve on a stakeholder group on open space and recreation lands. Jon LeRoy will attend some of the meetings and Cindy will attend the TRPA workshop to see if there are ramifications to utility districts.

Ms. Gustafson said that the workshop on the water system policy should be fairly lengthy and attempted to find a time that would work. February 17th at 4:00 was held tentatively.

Mr. Sexton thanked the Board and staff for the kind words and card that were sent to him after his sister passed on.

20. General Correspondence

There were no comments.

21. Board Follow-up

Ms. Gustafson said that the Burton Creek agreement at the bottom of page 21-1 is complete.

L. DIRECTORS' FORUM

22. Director's Comments

Director Treabess said that Board members need to be prepared to say when items don't need to go to a committee so staff knows what to do.

Director Wilkins asked what the protocol should be for individual members to put items on an agenda. It was decided that the member should ask the Board President to put it on the agenda and the President will do it.

M. MEETING REVIEW AND STAFF DIRECTION

23. Meeting Review and Staff Direction

Ms. Gustafson reported the following:

- The Board minutes will be amended and not come back to the Board.
- The agreement with Doyce Boesch will be revised with respect to site applicable federal statutes and laws.
- Ms. Gustafson will work with Director Reinkens to schedule a workshop in April on the Kaisen Method for the District and other community groups.
- Staff will have Shawn Koorn run the property tax model putting all the property taxes into sewer and being prepared to discuss the impacts on our water system.
- Staff will make sure that the consultants have our Water System Acquisition Policy for review prior to attending the workshop.
- Mr. Dykstra will work with the auditors on the compliance report.
- Staff will contact Board members on committee meeting topics to make sure that a meeting is necessary.

N. CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATORS – Government Code Section 54957.6

24. District Representatives – Cindy Gustafson and Jim Dykstra
Employee Organization – All Employees

**PUBLIC EMPLOYEE APPOINTMENT/EMPLOYMENT/PERFORMANCE
EVALUATION/COMPENSATION** – Government Code Section 54957

25. General Manager

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Subdivision (a) of Government Code Section 54956.9

26. Eminent Domain Proceeding of Lake Forest Water Company

**CONFERENCE WITH REAL PROPERTY NEGOTIATORS: LAKE FOREST WATER
COMPANY** – Government Code Section 54956.8

27. District Negotiators: Alan Harry, Jim Dykstra, Tony Lalotis, Harold Morgan, and Dennis
Viglione

Negotiating Party: Rick Dewante

District negotiators will be given instruction concerning whether the district will seek to
purchase the water company and, if so, price and terms of such purchase

O. CLOSED SESSION REPORT

Mr. Sexton reported the following from closed session:

24. The Board authorized the signing of the MOU and transmittal to the Union. A resolution
outlining changes between what was approved and what we had last time will come to the
February meeting.
25. The Board evaluated the General Manager's performance.
26. Nothing to report.
27. Nothing to report.

P. ADJOURNMENT

The meeting was adjourned at 12:00 p.m.

Dan Wilkins, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton