

BOARD MEETING
APPROVED MINUTES

May 26, 2009

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

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

A. CALL TO ORDER – PLEDGE OF ALLEGIANCE

President Henrikson called the meeting to order at 5:05 p.m. Director Treabess led the audience in the Pledge.

B. AGENDA AMENDMENTS AND APPROVAL

1. Agenda Deletions, Changes and Audience Requests

President Henrikson reported that Pete Marra wouldn't be attending the meeting so item no. 4, Recognition of Pete Marra, will be pulled.

2. Additions to Agenda

There were no additions.

3. Approval of Agenda

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

C. PUBLIC FORUM

Larry Boerner, owner of the Tahoe Gal, spoke regarding the bike trail that is scheduled to go through the parking lot that he currently leases. He came to request that the Board direct staff to work with him and State Parks to find a mutually acceptable alignment before the construction begins on that phase of the project. Ms. Gustafson said that staff will continue to work with Mr. Boerner and suggested that a more in-depth study and discussion take place with the Project Committee.

Natalie Wickersham's daughter spoke representing her. She asked if a senior discount program could be implemented for water bills. Ms. Gustafson informed her that Mr. Dykstra is looking into programs that would equalize the rates, residential rebates, or some type of senior program and that he will get back to her.

D. RECOGNITION

4. Pete Marra – 10 Year Service Award

This item was pulled from the agenda.

5. Carol Hackbarth – 10 Year Service Award

Mr. Laliotis said that he appreciates working with Carol because she is reliable, efficient, very good at learning new things, and he couldn't get his work done without her. Ms. Gustafson added that Carol was voted Employee of the Year last year, did over 2,000 leak letters single-handedly, and is very courteous to the public. President Henrikson added that Carol is a credit to the organization and presented her with her certificate. Carol thanked the Board and added that she loves working with Tony and they make a good team.

K. SEWER & WATER UTILITIES

8. Notice of Award – Dollar Hill II and Granlibakken Water Meter Installation Project

Mr. Homolka reported that nine bids were opened with Petersen Construction coming in as the low bidder. He asked the Board to authorize the President of the Board of Directors to enter into contract with the lowest responsive bidder, Petersen Construction, Inc. @ \$78,994.00.

Motion to approve: Reinkens/Treabess/5-0

9. Timberland Water Company: Offer to Sell

Mr. Harry reported that staff received letters from both the president of the Timberland Association of Homeowners and the owner of the Timberland Water Company requesting that the Board look into acquiring the Timberland Water Company and becoming their water purveyor. He said that historically when there is a willing seller situation, the private water acquisition policy doesn't require us to go through a vote process. It does require us to work with the owner to go through a fair and equitable cost sharing of the appraisal and review of the system. He spoke with the owner, John Ballard, who said that he provided the District with an appraisal in late 2007. It was conducted in a manner different from the one done for Lake Forest Water Company. Mr. Harry proposed that the Board grant staff the ability to enter into a contract with Harold Morgan in an amount not to exceed \$12,500 for this appraisal and direct staff to sit down with Mr. Ballard and discuss the cost-sharing method to get things done. He added that this is somewhat tied to the Tahoe Park Water Company acquisition in that Harold Morgan said that he would conduct the appraisal for both systems for \$25,000, saving us \$2,500 per system appraisal.

President Henrikson said that the Board needs to figure out first if we want to buy the system since it's isolated and we don't know what it includes. Director Wilkins said that we need to determine what the value of the system is and then fund an engineer's report because he wouldn't be willing to purchase it without knowing the condition of the system.

He said that by taking this step, they are signaling an intention to probably take two or three more steps of spending money.

Mr. Harry said that Mr. Morgan's report would give an understanding of what that system owns, the state of everything above ground, and a real appropriately appraised value of the system. He added that the appraisal that was received in 2007 from the owner was fairly high compared to what we believe it is worth.

Director Wilkins said that he wonders when we begin engaging homeowner support. He said that there is a level of risk up until the assessment district vote occurs. He asked what kind of indications we need to see from the property owners prior to that vote to give us a level of comfort that we're not totally off base thinking that an assessment could occur. He is comfortable having the appraisal done and then talking with Mr. Ballard. Director Reinkens noted that if we buy the system, we are widening our customer base and amortizing the fixed costs over a greater customer based so the cost per customer goes down over time. An improvement district would not cost the rest of the ratepayers anything. Director Henrikson agreed. It was noted that if the Board decides not to pursue Tahoe Park, then the appraisal cost will be \$15,000 for Timberland.

Motion to approve: Reinkens/Friedman/5-0

E. NOTICE OF PUBLIC ASSESSMENT HEARING – LAKE FOREST IMPROVEMENT DISTRICT NO. 1

President Henrikson announced that he and Ms. Gustafson have a conflict with this issue and would remove themselves from the table. He handed the meeting over to Vice President Wilkins.

Director Wilkins reported that in March the Board called for the Prop. 218 vote on the assessment district in Lake Forest. A ballot went out to all Lake Forest property owners and all ballots that are returned before the end of the public hearing will be counted. He explained that if a person is assessed \$600, he has 600 votes; if another is assessed \$800, he has 800 votes. Mr. Soares explained that at the end, the total dollar amount of the support and opposition columns are calculated and, unless the opposition column exceeds the support column, the assessment passes. Director Wilkins opened the public hearing at 5:35 pm and explained that if someone has previously voted and wants to change their vote, they have until the end of the hearing to do so.

Bruce Ells asked why different people were assessed different values. Director Wilkins explained that the District hired Auerbach Engineering to do an Engineer's Report that looked at the relative benefit that an individual property owner would derive from the assessment district and then assigned the assessment accordingly. Residential vs. commercial property was the main reason for a difference in assessment. Mr. Ells asked if the amount of property owned or the amount of improvements on it would make a difference in the assessment. Mr. Auerbach said that if the property is zoned commercial, the assessment is based on the size of the property. If it's residential, it's based on per parcel. Mr. Ells asked for clarification on commercial fire flows. Mr. Auerbach said that basically commercial fire flows are about 1.5 times the residential fire flow. Generally the residential fire flow is 1,000 gallons per minute, so the commercial is 1,500. He said that depending on the size of the property, the number could be much higher but that is the number that was used in the report.

Director Wilkins announced that if anyone wants to observe the tabulation of the votes after the public hearing is closed, they are welcome to do so. He added that the Board needs to

designate an impartial person to count the votes and suggested Jim Dykstra. Director Wilkins asked if anyone wanted to turn in a vote or change their vote before he closed the hearing. Director Wilkins closed the hearing at 5:50 pm and asked Mr. Dykstra to be the designated impartial person.

President Henrikson and Ms. Gustafson returned to the table.

L. PARKS AND RECREATION

11. Wildlife Conservation Board (WCB) Amendment for Launch Fees at Lake Forest Boat Ramp

Mr. Bolton said that at the May 11th Special Board meeting he approached the Board to request the establishment of fees for the Wildlife Conservation boat ramp. At that meeting the Board directed staff to retain an amendment from WCB allowing TCPUD to charge the fees. At this point, no launching fees or season passes for launching are being sold since the amendment has not been received yet. He did receive a letter from them stating that a private citizen had raised several concerns about the process that the District used when it adopted the launch fee and that the District violated the Brown Act when it added the consideration of the launch fee to the agenda in April. WCB requested a letter explaining the public process that we took and staff will respond to it.

Mr. Bolton said that since we have not received the amendment as requested by the Board, he asked that the Board authorize the President of the Board to sign it when it arrives. Ms. Gustafson said that our legal counsel will address the issue about the perceived Brown Act violation. President Henrikson said that the item was not noticed ahead of time and was added at the last minute without notifying the public to give input. Ms. Gustafson said that the District did give the public a lot of information the day after the Board meeting. She said that the same member of the public continued to ask about the process so we did agendize it as a special Board meeting at the first convenient time that we had four board members. Director Friedman said that she didn't understand the perceived Brown Act violation. Ms. Gustafson said that there was no violation but in response to public input we called another meeting. Director Treabess said that he wants to get the letter clarifying the alleged Brown Act violation and clear it up so that it can't happen that a citizen can just make a factual point without some clarification on our part. That hurts the reputation of the District and it's not a legitimate accusation.

Ms. Gustafson reported that over the weekend she spoke with Pat Bagan from Sierra Boat Company. He recommended that the District give the NTPUD residents the ability to purchase the season passes this year at a resident rate since both of their boat ramps are closed this year. They would reciprocate in the future if our boat ramp was closed. Director Wilkins said that he was in support of the general concept of working with our neighbors of NTPUD. He asked if they would be able to buy the resident pass only when their ramp was closed or would it be more global. Ms. Gustafson said that they haven't discussed it in detail yet, but they want to. Director Friedman said that she has a conflict of interest if the Board is going to discuss this because NTPUD is one of her clients. Mr. Soares said that it would be better to discuss this issue if it was agendized more specifically in the future.

Director Friedman asked if the issue was the way this was handled or the fees themselves. Director Wilkins said that his understanding is that the focus has been on how it was handled as opposed to what the content was. Director Friedman said that at the moment we are extending the ramps hours, we're paying the costs, and we're not charging what we agreed to mitigate those fees because WCB hasn't given us approval to do that. We are still

expanding the hours, providing the service we said we would provide to the public, but now it's coming directly out of our coffers instead of what that fee was supposed to be covering. Mr. Bolton affirmed the statement and said that during that last week we had \$2,725 in staffing costs for the extended hours and the parking fee revenue was \$2,200. We were in a deficit for the direct costs for \$525 for that week. He said we had 357 launches in that week so if the launch fee was in place we would have generated about \$3,500. Director Friedman asked if we should continue the extended hours given that it is costing us money. Director Henrikson said that he felt that we should.

Director Treabess wanted to express his disappointment that there was any inference from anybody present that staff ever said that we were going to start charging launch fees before we had an agreement from WCB. He said that was never going to happen and no one ever said it. Ms. Gustafson agreed and said that she has told staff to tell the public that if they pay a parking fee now they could use it toward their season pass rate to encourage people to park in the lot.

Motion that upon the receipt of the WCB MOU we authorize the Board president to sign or put into effect the change from parking fees to the launching fees that were agreed to pending legal analysis: Treabess/Friedman/5-0

Ms. Gustafson commended Bob Bolton, Roger Adamson, and their staff for the wonderful job that they have done at the boat ramp. She said that they are doing a tremendous job and are tracking every single person using it so that the District is getting good data from a very difficult situation.

G. NOTICE OF PUBLIC HEARING – FORMATION OF IMPROVEMENT DISTRICT NO. 2 (TAHOE PARK)

Mr. Soares said that the resolution included in the packet didn't include all of the appropriate findings and a revised resolution was provided at the meeting that included the necessary findings and action if they decide to form the improvement district tonight. Ms. Gustafson said that some protests have come in regarding this issue. Mr. Harry went over the history of the Tahoe Park homeowners that requested the improvement district and confirmed that he and the District clerk verified that all of the petitions received were from property owners within the boundaries of the Tahoe Park Water Company. 351 out of the 504 parcels within the boundaries signed petitions (69.64%). He said that four e-mails came in opposing the petition, one in support, and one withdrawing their petition. He noted that the District's Private Water Company Acquisition Policy requires that a minimum of 2/3 of the property owners need to sign the petition. He said that the Board can hold a public hearing, take comment, and if they choose, adopt a resolution that would form the TCPUD Improvement District No. 2 (Tahoe Park). Along with that, the Board can allocate up to \$25,000 for appraisal of the Tahoe Park Water System as well as hiring legal counsel to assist us in the process.

Mr. Soares added that the District's option to form this is conditioned on there not being one-third of the landowners objecting tonight. If there is not one-third, it is entirely the Board's discretion to form.

Director Reinkens asked about the schedule with November being selected for hiring an engineering firm. Mr. Harry said that staff is under a big workload right now but could try to move it up to later in the summer so that some field work could be done in October. He said that he believes that we could probably move it up about thirty days but needs to speak with staff first.

Director Henrikson opened the public hearing at 6:20 pm. Gerald Rockwell thanked Wally Auerbach, Susan Elliott and the Tahoe Sierra HOA, staff, and the Board for all of their help. He said that as customers of a small water company they have been stuck between a rock and a hard place. Small water companies don't have the assets necessary to maintain the system and current codes. He said that the California PUC and the Health Department have abandoned them and aren't protecting them. He said that he thinks there are certain things that government entities can do better than privates, especially utilities such as sewer and water. Mr. Rockwell said that they believe that the addition of the Tahoe Park Water ratepayers will be a benefit to the entire PUD because it will extend the rate base and make it easier on everybody when it comes to upgrading the system in the future. He said that they know that they are going to have some upgrades and repairs that are going to have to be made but they know that when that time comes, the District will be fair and equitable in the assessment.

Frank Caroll said that he has lived in Tahoe Park for 15 years and has had fine service from the water district that is in place now. He said that his background is in running a business and the thing that rings bells with him is cost and the benefits. He said that he has seen nothing on that so far and he anticipates seeing that prior to any implementation. He asked about a 218 needing to be a majority vs. two-thirds vote and if the property owners of Tahoe Park were the ones that vote on it. He wanted to ask the Board to hold off on establishing the District until there was an analysis so that everyone could vote on the whole package. Director Reinkens said that the Board wants to make sure that there is really an interest in the Tahoe Park homeowners to create the District or they won't spend a dime of the taxpayers' money. Mr. Caroll asked if the money being spent on the Engineer's Report would be assessed to the property owners. He was told that that is determined by the Board. Mr. Harry said that this resolution asks that that money not be assessed to the homeowners. The investigation that goes beyond the initial appraisal would be included in the assessment.

Mr. Caroll asked if the acquisition of the private water company would be part of the assessment to the 504 property owners or would that be absorbed in the overhead and in the PUD's rates that they would be paying. Ms. Gustafson explained that that varies on the Board's evaluation of the system at the time. She said that there are State programs that may help with some consolidations and acquisitions. The Board will look at the property tax that they have paid into the Reserves and could authorize some of that money to be used to offset some of the acquisition or improvement costs. She explained that the Board makes these decisions at a public meeting that will be noticed. Mr. Caroll said that he believes most of the people signing the petition don't realize that the water company is going to have to be acquired and there will be additional costs.

Jeff Oxandaboure thanked the Board for their consideration and said that Sunnyside has suffered financially substantially over the years with the current water system and he is looking forward to changing. He said that fire protection is also a major issue for them.

Rob Westin, Treasurer for the Skyland HOA, asked if the 500 or so people include the 90 homes in the Skyland area. Mr. Harry said no. He said the Skyland-Nielson water system, the Tahoe Park water system, and the Lake Forest water system are all under the same ownership but all of them are separate and distinct water systems in the eyes of the PUC and State.

Gary Sporn said that he has been researching grants, and there are two funds that should come available sometime this summer that they could write for. He'll know more in a month or two.

Director Henrikson closed the public hearing at 6:40 pm. Mr. Harry said that five objections were received. There would need to be 166 objections to meet the one-third requirement.

H. RESOLUTIONS

7. The Board will Consider the Formation of Improvement District No. 2 and Will Consider Further Direction to Staff with Respect to Developing Plans and Specifications and Costs Associated with Public Works of Improvement

Director Henrikson asked the Board for their input. Director Treabess said that he is ready to move ahead.

Motion to adopt Resolution #09-14 with the provision to see the engineering plan move ahead 30 days: Treabess/Reinkens/5-0 by roll call vote

O. GENERAL

24. Consideration of Request from Wendy Wood and Her Legal Counsel Regarding Tahoe Park Water Company's Skyland/Nielsen Well

Ms. Gustafson explained that Ms. Wood came to the May 11th special Board meeting and requested to be put on an agenda. Included in the Board packet was a letter from her attorney asking if the TCPUD could act as a receiver for them.

Ms. Wood read a statement to the Board that included some history of the property that she and her husband own at 3005-3015 West Lake Blvd. She said that during construction of two homes on their lots, it was discovered that Rick Dewante and Tahoe Park Water had dropped a water well, tank and utility box underground on their property. They were never provided disclosures by the seller, dual real estate agent, or Title Company about the water well or tank and are now in litigation with the sellers and agent for non-disclosure.

Ms. Wood described the steps she and her husband have taken with Mr. Dewante to remedy the situation to no avail. She said that they have filed a complaint against Mr. Dewante and Tahoe Park Water Company and requested help from Placer County and the CPUC. Her requests for help have gone unnoticed and they have spent over \$100K of their own money on legal experts to date.

In late March of this year they notified Mr. Dewante that, absent any settlement, they intended to turn off the water to the other 98 homes being served by the well. Mr. Dewante never notified the effected homeowners, but a neighbor engaged an attorney and they initiated a TRO. Ms. Wood will be asking the Court to lift the TRO on June 11th so they can terminate the water absent an agreed upon easement or have the Court appoint a receiver and/or bond pending the litigation outcome with Mr. Dewante relative to the encroachment.

Ms. Wood asked the TCPUD to consider being the temporary receiver. Mr. Soares said that whether a receiver is appointed or not, is for the court to decide. He said the Board tonight has to decide if they want to volunteer to be that receiver. He said that his firm has looked at the situation carefully and has a strong view that the Board should not do it. He explained that the Board will quite possibly be in negotiations with Mr. Dewante in connection with other acquisitions and it's hard to maintain impartiality. He said that it is their view that the District is not an appropriate candidate to be a receiver in this case and they recommend that we don't do it. Director Wilkins suggested that another private water company could be the receiver and Mr. Soares agreed. He also affirmed that this is civil litigation. Director

Henrikson said that he doesn't feel that we would be conflicted out because we are already negotiating with Mr. Dewante over Lake Forest and we will be soon with Tahoe Park. Mr. Soares said that they are asking the District to take over and operate a particular well. When a receiver is appointed normally it is because the Court decides there needs to be a neutral that is operating the facility during the lawsuit. He said that there is a serious question if we can be "an independent receiver" in light of our other dealings with Mr. Dewante and there could be some sort of implication that there is a taking of property.

Mr. Westin said that Ms. Wood threatened to cut off the water to about 250 people without any prior contact. The HOA's Board of Directors went to Superior Court and had to issue a TRO. He said they aren't happy with their system either and they would have tried to work together to help Ms. Wood if she hadn't threatened to shut off their water. Their Board of Directors had no choice but to get the TRO. He said that if the District decides to become the receiver, they would have to enjoin us in their suit.

Larry Bragg asked "the mouthpiece" how far this discussion can go on about a temporary restraining order without a law suit. He said that he's happy with the water and asked if we can legally discuss this. Mr. Soares said that a TRO prohibits a party who is served with the order from doing whatever the order states and he hasn't seen it. He doubts that it prevents folks from discussing anything.

Ms. Gustafson asked if there are solid alternatives for the Woods to use that would continue service to customers without the CPUD being involved if our legal counsel is advising us against it. She believes the answer is yes.

Director Friedman said that we are speaking to each other in a respectful environment and to hear our counsel referred to as "the mouthpiece" really bothers her. She apologized to him on behalf of the speaker. Secondly, given so many unknowns, liabilities, and counsel's recommendation, she made the motion to deny the request. Director Wilkins voiced his concern about the District getting in the middle of civil litigation. Director Henrikson said that as much as he would like to help, there is wisdom in taking counsel's advice. Director Treabess said that he would support the motion but recommended that staff provide possibilities of alternatives to Ms. Wood.

Motion to deny the request to act as receiver: Friedman/Reinkens/5-0

F. SEWER & WATER UTILITIES

6. Lake Forest Improvement District No. 1: Tabulation of Ballots and Formation of Assessment District

Director Wilkins asked Mr. Dykstra for the report on the ballot count. Mr. Dykstra said that the total assessment amount was \$1,612,209 with about two-thirds of the total assessment votes coming in. The total weight of the ballots cast was \$1,104,612. In order to pass it would need \$552,307. \$697,324 voted yes (63%). \$407,288 voted no (37%). He added that there was \$161,372 of public vote from California State Parks voting no. If that is pulled out, the total yes vote was 74%.

L. PARKS AND RECREATION

10. Tahoe Cross Country Ski Education Contract Renewal

Mr. Bolton said that staff recommends that the Board approve a ten year contract extension with the TCCSEA to continue to operate the cross country ski area located at the Highlands Park and Community Center. He said that we have agreed with the cross county group that all future revenue will go back into the facility prioritized by the TCPUD. We received numerous e-mails and letters of support to continue this agreement for ten years. He said this item was discussed at the last Parks and Recreation Committee. Director Friedman requested at that meeting that a document indicating the trade of low rent with a chart showing the programs used for rental offsets annually be attached to the contract. Director Reinkens said that a rate needs to be established for the facility.

Director Friedman said that she would be happy to make the motion to approve the contract extension, but she doesn't understand why public facilities aren't considered uniformly and thinks we need to look at what fair market would be and then look at the offsets. She said that she thinks the offsets are there but we have an obligation to the public to show it.

Director Friedman also suggested that we charge ratepayers a different rate than we charge people from out of our area. She said that she was told that she was being jerky when she suggested it at the Parks and Recreation Committee meeting, but noted that is currently done in our recreation programs. She felt it could be done easily on a season pass.

Ms. Gustafson said that she is in agreement that we do things consistently with our public facilities rentals and program fees. She added that ten years ago when we negotiated this contract we didn't have a local's discount on our recreation programs but we currently do with every other recreation program that we offer.

Representatives of the Association said that they are a non-profit and they don't raise their rates yearly. To do a discount for ratepayers, they would have to lower their current prices and make up the funds somewhere else. Another member said that it is not the standard with local cross-country ski areas to provide a discount to locals. Ms. Gustafson said that this is a ten-year contract and wondered if in future years they could take this into consideration. Director Henrikson said that a lot of the volunteers that support the program come from the NTPUD area and it would be a slap in the face to make them have to pay a higher pass rate. He isn't in support of it.

Director Treabess said that the local ratepayers are paying an additional price through their property taxes over what outsiders are being charged. The local ratepayers are paying the money for clearing the forests and some of the parking lots. He really thinks we need to do this to be consistent.

Virginia Graham and another unidentified community member said that there are lots of volunteers that have done an incredible amount for the community and this would be hurting them and the program.

Ms. Gustafson said this year's rates have already been set and in future years they could try to implement a local's discount. Director Reinkens complimented the group for the excellent job that they do and said that he hoped that they could quantify the dollar value of what they are investing in the program so that the public doesn't think that we are wasting the taxpayers' money. He also asked them to think for themselves over the next several years on what kind of a locals program or taxpayer offset they could have.

Director Treabess said that he would like the group at its discretion to include a taxpayer offset sometime in the future. One of their group said that he hoped this wasn't a hammer that would break our ten-year contract with them in any way. Director Treabess said it is at their discretion, but the Board would like them to consider moving ahead with it.

Director Reinkens said that there is a conflict in the contract under Section 3, Uses and Services, regarding alcoholic beverages. That section will be checked.

Director Treabess asked why the yurt wasn't in the contract. The group agreed that it should be included in the contract. Director Reinkens was also concerned about the risk factor clause. Mr. Soares said that he believed what was written in the contract was acceptable but it will be checked out.

Director Treabess asked that Section 15-I be changed as follows: Concessionaire may provide at its discretion complimentary, free or discounted tickets, rentals, food or other goods and services as necessary for advertising, promotion and public relations excluding, however, complimentary or discounted charges **which may include District taxpayer offsets** to District directors, officers and agents.

**Motion to accept staff's recommendation but amend the contract to reflect fair market value and the trades and include a risk factor clause: Friedman/Reinkens
Director Friedman later withdrew this motion with Director Reinkens seconding.**

Motion to accept staff's recommendation to enter into the ten year agreement with the concessionaire with the addition of Exhibit E so that fair market value is clearly delineated and the previous language of Director Treabess on Section 15-I as written above: Friedman/Reinkens/5-0

M. CONSENT CALENDAR

Director Treabess asked to pull items 14-a and 14-b, Director Reinkens asked to pull the Special Board Meeting minutes of April 6th, Director Friedman asked to pull the Project Committee meeting minutes of April 6th.

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

11. Minutes

- Project Committee – April 6, 2009
- Special Board Meeting – April 6, 2009
- Sewer and Water Committee – April 10, 2009
- Parks and Recreation Committee – April 15, 2009
- Personnel Committee – April 15, 2009
- Finance Committee – April 16, 2009
- Audit Committee – April 16, 2009
- Board Meeting – April 17, 2009
- Sewer and Water Committee – May 7, 2009
- Special Board Meeting – May 11, 2009

Regarding the Project Committee minutes, Director Friedman said that she wasn't sure where to ask a question so she decided to ask it during this piece. She said that she hears a lot about the Lakeside Trail and she wondered why we don't spend as much time talking about

Homewood Bike Trail when that's what she hears more about in the community. Ms. Gustafson responded that the Lakeside Trail is under design contract and we're further along on it. We've been waiting to hold a homeowners meeting this spring at Homewood so we haven't been very active on it. An alternative route we were planning on may not be in favor and staff may need to review two different routes with the property owners. We didn't want to spend more time and money on it until we heard from the homeowners.

**Motion to approve the April 6 Project Committee Meeting minutes:
Friedman/Treabess/5-0**

Regarding the Special Board minutes, Director Reinkens asked if Director Henrikson was in attendance at the meeting. He confirmed that he was.

**Motion to approve the April 6 Special Board Meeting minutes:
Treabess/Reinkens/5-0**

- 13. Finance Report
- 14. General Manager and Staff Reports

Regarding item 14-a, Mr. Harry's staff report, Director Treabess asked if there were any updates on funding opportunities for Lake Forest Water. Mr. Harry said that he has been following two avenues of opportunity since the last meeting. One was to continue to stay in touch with the California Department of Public Health in regards to Proposition 50 monies. They are still frozen but staff believes they will become available in the near future. Once a letter of commitment is signed (which has not been done yet), all expenditures that take place that are eligible would be paid by the State through the Prop. 50 monies even if the bonds hadn't been sold at that time. If we had a letter of commitment, we could borrow money and the State would repay the money. The other is the request for funds from the Placer County Redevelopment Agency that the Board has requested. He received a phone call from Richard Colwell, the Assistant CEO and Director of Redevelopment Agency, advising him that the project was not eligible for Placer County RDA monies. He said that according to law, he believes it should be eligible. The Board requested that Mr. Harry send a letter to Placer County RDA to request a written response to the letter from our Board of Directors.

Ms. Gustafson apologized to the Board that she didn't include a report from her this month. She couldn't do it because she was at the ACWA conference and didn't have a computer.

Motion to approve item 14-a: Treabess/Wilkins/5-0

Regarding item 14-b, Parks and Recreation Report, Director Treabess asked about Creekside School possibly relocating to Rideout. Mr. Bolton said that he has received a voicemail from Camille and owes her a phone call. Staff will find out the facts and get back to the Board.

Motion to approve item 14-b: Treabess/Wilkins/5-0

Director Reinkens asked about the bike trail on Sans Succi. He said HMR pushed all of their snow and gravel on the bike trail and he asked what is being done about it. Mr. Bolton said that Roger Adamson was handling it and he will find out the status.

**Motion to withdraw the earlier approval of item 15: Reinkens/Treabess/3-2 with
Directors Wilkins and Henrikson voting no**

15. Approval of Purchase of Mini-Excavator

Director Reinkens asked why we didn't purchase a turbo-charged mini-excavator. Director Henrikson said that buying a turbo-charged one isn't necessary and it costs more.

Motion to approve item 15: Treabess/Friedman/4-1 with Director Reinkens voting no

N. RESOLUTIONS/ORDINANCES

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

Director Friedman asked what this is. Mr. Dykstra explained that this and the following resolution are done yearly to allow us to lien people on their property taxes if they haven't paid their utility bills and to have the two Counties collect the money for us.

Motion to approve Resolution #09-15: Wilkins/Treabess/5-0 by roll call vote

17. Resolution Requesting Collection of Charges on Tax Roll – Placer County

Motion to approve Resolution #09-16: Reinkens/Wilkins/5-0 by roll call vote

18. Resolution Authorizing Termination of Agreement with Homewood Ski Corporation

Director Henrikson said that this item asks to terminate an agreement with Ski Homewood, they want to sell property to the U. S. Forest Service, and we're asking for a grant of access to Quail Lake. He said that we asked them to store snow at 64 Acres and they declined so he is curious if we should discuss granting the access if they'll allow snow storage at 64 Acres or let the fire station move there.

Director Wilkins said that his understanding is that Homewood is selling property to the Forest Service. This gives the Forest Service access to a portion of the property on the easement. He asked if staff has a read on how motivated the Forest Service is. Mr. Homolka said that there is very little motivation. Director Henrikson suggested asking them anyway. Mr. Homolka said that we are on the other side of the table a lot of times asking for an easement and they'll say that if we want compensation, then we need to ask for it. They can't get into negotiations way outside of the easement.

Ms. Gustafson said that she doesn't have any opposition to calling a special meeting and asking the Forest Service and Homewood to attend. She agreed that the Forest Service has no motivation in this case but she doesn't think it hurts to ask and make it a public issue. She urged that the meeting be held relatively quickly because there is some benefit to the District to help this acquisition occur. She also believes that they wouldn't be in a position to do anything without a NEPA document. She said that if the Board chooses to have a special meeting, she would like to do it relatively quickly so that we don't stop the escrow.

Director Wilkins said that it sounds like staff's speculation is that the Forest Service's preference would be to not join these issues but there could be some value in having a special meeting in that it re-raises the issue again and shows the Board's interest in resolving the other issue. There was a discussion about there being nothing in the agreement to get rid of the dam through this process so perhaps items 18 and 19 should be tabled. Ms. Gustafson said that she would get dates from the Board for a special meeting.

This item was tabled to a future meeting.

19. Resolution Authorizing Grant of Access Easement to United States Forest Service

This item was tabled to a future meeting.

20. Resolution Approving the Application for California Tahoe Conservancy Funds for the Tahoe City Lakeside Trail Project

Mr. Harry said the plans and specifications are almost complete and as part of this they are putting together an application to the CTC for the funding of the construction of the three phases of the project. This resolution applies for construction funds, acquisition funding, and SEZ credits and needs to be approved to go with the application. Director Reinkens voiced his concern that the parking lot is a part of this. Mr. Homolka said that staff has looked at everything that Mr. Boerner has drawn up. We met on site with him and State Parks and at first State Parks said it would work, but then they said no. Ms. Gustafson said that she has continued to try to work with him. Regarding Director Reinkens concern, Director Wilkins asked if we're getting ahead of ourselves by requesting funding on a project where we don't have all the design details worked out. Mr. Harry said that his general opinion is that he doesn't believe we are getting ahead of ourselves by requesting the funding. We may end up in a position where we can only build sections 5 and 6 but he feels requesting the money now is appropriate and we may have some sticky issues to deal with later.

Motion to approve Resolution No. 09-19: Wilkins/Henrikson/4-1 by roll call vote with Director Reinkens abstaining

21. Resolution to Call for Bids – Condominium Master Water Metering Project

Mr. Homolka said that this is the remainder of the project that we are going to take out to contract. Director Henrikson asked why the six condominiums aren't listed in the invitation to bid. Mr. Homolka said that he can amend that. Director Henrikson asked where we are in the budget. Mr. Homolka said that when we're all done, we'll be under \$1 million.

Motion to approve Resolution #09-20 as amended: Wilkins/Friedman/5-0 by roll call vote

22. Rules, Regulations, Rates and Charges Governing the Use, Operation, and Management of the District Water System Facilities

Ms. Gustafson said that the Sewer and Water Committee went through this ordinance in great detail. They met with the condominium managers three times giving them the concepts and language. They went over the implementation of the construction schedule and Cindy has gone to Homeowners Meetings to make sure they were aware of the revisions. So far we haven't received any oppositions or concerns about the proposed revisions.

Motion to approve Ordinance #263: Wilkins/Henrikson/5-0 by roll call vote

O. GENERAL

23. LAFCO Election – El Dorado County

The Board held a discussion on the candidates. They agreed that they liked to pick people from water districts first and selected Barbara Winn with a background check done by Cindy first. If that turns out poorly, Harry Norris would be selected.

Motion to vote for Barbara Winn: Wilkins/Treabess/5-0

25. Reports

Mr. Dykstra said that staff has been working very hard on the new statements and they will be ready in July.

Mr. Homolka said that the Thompson-Rubicon project problem has been resolved. We obtained the easement and they agreed to pay a portion of the charge.

Mr. Bolton reported that staff put out a flyer for this weekend regarding the launch fees and punch cards. Director Wilkins asked why we can't expand parking out there. Ms. Gustafson said that Lahontan and Star Harbor owners both had reservations so the second area was pulled out of the project.

Director Reinkens asked how boats that have mussels are cleaned. Mr. Bolton explained the process and said that TRPA staff would do it.

Ms. Gustafson reported that the ballot initiatives failed except for one. Governor Schwarzenegger is suggesting the suspension of Prop. 1-A which would allow the State to take up to 8% of the general property tax revenue from cities, counties, and special districts. ACWA is very concerned that most of the money will come from enterprise districts and staff will come back to the June meeting showing where 4% of our property tax can be saved this year.

Ms. Gustafson reported that she has been attending HOA meetings and there is clearly a lot of misunderstanding regarding our water rates. She suggested that Board members who want to attend some of them do so because they are asking good questions.

26. General Correspondence

There was no discussion.

P. MEETING REVIEW AND STAFF DIRECTION

27. Board Action and Direction

Ms. Gustafson reported the following:

- o Pete Marra may be able to attend the next meeting, but since it's a night meeting he may not be able to attend until the future
- o Staff will move forward with the appraisals on Tahoe Park and meeting with John Ballard on the Timberland Water System.
- o Staff will add the yurt on the cross country contract into the facilities that they need to maintain and make the other suggested changes.

- Staff will get Director Henrikson the contract on the wildlife conservation amendment once we receive it.
- We will send a letter to Rich Coldwell with a cc to their Board on the redevelopment funding.
- We will continue to follow up with Homewood on the removal of the gravel on the bike trail.
- On items 18 and 19 we will call a special meeting relative to the Homewood agreement as well as the access easement and clarifying the dam.
- Staff will respond to allegation that there was a Brown Act violation.

Q. DIRECTORS' FORUM

28. Director's Comments

Director Wilkins said that it would be nice if we could get some positive advertizing on our role in making the Cross Country Center available.

Director Wilkins said that he would like to agendize a discussion at a Board meeting about district legal counsel.

Director Reinkens clarified that the rocks aren't on the bike trail, but are on either side.

Director Treabess complimented staff on the amount of information that everyone brought to the table and thought it was a terrific agenda.

Director Henrikson asked where we stand with the fire department location as a Board. He said that he felt that the Board said that if they find another place then they could have the property across the street. They haven't found it and he asked what the Board feels. He asked to agendize it. Ms. Gustafson said that we need to handle this as soon as possible because if there is any sense that we are going to change things, they need to know now. Director Reinkens said we should also have a discussion on why we are involved with snow removal. Ms. Gustafson said that we could look at a joint meeting with the fire department. Director Wilkins said that he would like copies of minutes from meetings where it was discussed in the past so they could refresh their memories.

Ms. Gustafson said that a trail workshop was going to follow the bicycle trip but it will be held next month instead since there were so many important items on this agenda.

R. CLOSED SESSION

CONFERENCE WITH LABOR NEGOTIATOR – Government Code Section 54957.6

29. District Representatives – Cindy Gustafson, Jim Dykstra
Employee Organization – All Employees

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

30. District Negotiators: Alan Harry, Jim Dykstra, Tony Laliotis, 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

CONFERENCE WITH REAL PROPERTY NEGOTIATORS: 097-050-046 THROUGH - 049 (QUAIL LAKE) – Government Code Section 54956.8

31. District Negotiators: Cindy Gustafson and Tony Laliotis

Negotiating Party: U. S. Forest Service and David Tirman, HMR Representative

District negotiators will brief the Board on the Status of Negotiations Regarding Elements of Acquisition and Receive Instruction from the Board

PUBLIC EMPLOYEE PERFORMANCE EVALUATION – GOVERNMENT CODE SECTION 54957

32. General Manager

S. CLOSED SESSION REPORT

Mr. Soares reported the following out of closed session:

- Item #29: The Board met in closed session to provide direction to its labor negotiators. No action was taken.
- Item #30: The Board did not meet in closed session to confer with its real property negotiators re: Lake Forest Water Company.
- Item #29: The Board did not meet in closed session to confer with its real property negotiators re: Quail Lake.
- Item #30: The Board met in closed session to discuss the performance of the General Manager. No action was taken.

T. ADJOURNMENT

The meeting was adjourned at 10:45 p.m.

Erik Henrikson, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton