

BOARD MEETING
APPROVED MINUTES

June 23, 2009

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

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

A. CALL TO ORDER – PLEDGE OF ALLEGIANCE

President Henrikson called the meeting to order at 5:00 p.m. Ms. Gustafson led the audience in the Pledge.

B. AGENDA AMENDMENTS AND APPROVAL

1. Agenda Deletions, Changes and Audience Requests

Ms. Gustafson pulled items #15, #16 and #17 from the consent calendar. Director Reinkens asked to move #7 and #12 to the front of the meeting so that Mr. Dykstra could answer questions from the phone.

2. Additions to Agenda

There were no additions.

3. Approval of Agenda

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

C. PUBLIC FORUM

There was no public comment.

D. RECOGNITION

4. Pete Marra – 10 Year Service Award

Mr. Bolton said that Pete started as a part-time maintenance worker in 1988, started full-time in 1999, and became the senior field supervisor in 2005. He said that he's a great asset and knows a lot about the District. Roger Adamson said that Pete's knowledge of all the District's irrigation systems, facilities, maintenance programs, inventory, and deferred maintenance lists is priceless to the District. Pete thanked Mr. Bolton for hiring him and thanked Roger for increasing morale in his department. The Board thanked Pete and Director Henrikson presented him with his certificate.

5. Ralph Turner – LaBounty Safety Award

Mr. Bolton said that the District purchased an electric vehicle and Ralph recognized immediately that the vehicle was silent and could cause problems on the bike trail. He put a cowbell on the vehicle so that people would hear it approach. He received an award through the Safety Committee and won \$100 from the ACWA/JPIA for his safety idea.

6. Roger Adamson – 2009 North Lake Tahoe-Truckee Leadership Program

Mr. Bolton said that we are recognizing Mr. Adamson for his completion of the 2009 North Lake Tahoe-Truckee Leadership Program. He worked with a lot of future leaders of the community and now has some great contacts. Ms. Gustafson said that the program took a lot of time and the District appreciates his participation.

E. FINANCIAL

7. State Budget Update

Ms. Gustafson noted that staff's recommendations for suggested budget reductions to meet the potential 4% property tax reduction are in the packet. She said that Mr. Dykstra prepared charts that would indicate what we could stand to lose with the property tax borrowing, reviewed the targeted spending reductions, and identified cost savings. He reviewed the CalPERS medical premium holiday and explained that they are using the overfunding that we paid in and giving it back to the PERS Districts. Mr. Laliotis and Mr. Bolton explained the savings in their departments and answered questions of the Board. Ms. Gustafson pointed out that she put bullets next to some items that she recommended the P&R Committee reconsider if the State doesn't take the funding. Director Reinkens asked to reinstate items #9 (reduce Bells Landing maintenance work to minimum required for health and safety - \$10,000) and #12 (1 year reduction in ball field maintenance \$8,900).

Director Treabess said that he and Director Friedman went through the list during the Parks and Recreation Committee meeting and made sure that the reductions would not cause greater safety risks. He said that they agreed on Ms. Gustafson's bullets. Director Henrikson said that he would like to do the dog park if grants could be found and Director Friedman asked to continue with the fall swimming session. She suggested seeing if participants could pay more.

Virginia Graham handed out an e-mail that she had sent to the Board and asked for answers to her questions. She asked where we are with the budget and wanted to know if we have met all of our goals. She said that we need to be sure we get full reimbursement when we work on the maintenance of properties for the County, conservancy, schools, etc.

Paul Vatisas thanked the Board for cutting 25% out of their budget and asked that the rest of the office follow suit.

Director Treabess responded to Ms. Graham's comments and explained why the District helps with the maintenance on properties for the County, conservancy, schools, etc.

Motion to accept staff's direction for budget reductions with the two points about going ahead with the maintenance and fertilizing of the ball fields and promoting the fall swimming program. Director Henrikson added to do the ball park if a full grant is found. Director Reinkens added moving ahead with Bells landing as if we're going to get the money. The Board finds that the budget reductions may result in deferral of necessary maintenance of district facilities and the budget reductions are needed to meet expected action by the state to take District property tax revenue. Treabess/Wilkins/5-0

I. CONSENT CALENDAR

12. Finance Report

Ms. Gustafson pointed out the chart that was prepared by Mr. Dykstra that went over the items relevant to purchasing and showed where our District funds are being spent. She also noted the chart on pension trend information and asked Mr. Dykstra to recap it. Mr. Dykstra went over the changes that were made in the past ten years by the District and PERS and the effects that they have made on the District's contributions. Ms. Gustafson reviewed the historical long term obligation chart and answered questions of the Board.

Motion to approve: Treabess/Wilkins/5-0

15. North Tahoe Arts Contract Renewal/Rental Offset

Mr. Bolton said that the Board has approved the lease contract with NTA with direction to continue with rental offsets. He reported that he and Karen met several times to go over the required offsets and reviewed the recommended programs that staff believes meet the criteria to offset the \$8,900. He said that the Committee reviewed it in detail and supports staff's recommendation.

Motion to approve: Wilkins/Friedman/5-0

17. Burton Creek Operating Agreement

Mr. Bolton reported that we have been in an operating agreement with California State Parks since 1977 as a part of the property that is used for Tahoe Cross Country each year. TCPUD has maintained Burton Creek State Parks under an operating agreement with them and the attached is the contract for the ten year renewal. He said that a year ago the Board voiced a concern that in the contract the District is responsible for the trails during the summer while the ski concession is not open. Mr. Bolton said that he brought the contract to Mike Sexton for review last fall. Mr. Sexton made some changes, which Mr. Bolton took to State Parks for review. They said that several of the changes that Mr. Sexton wanted were completely boiler plate and couldn't be changed. They did agree to make the contract be effective October 1 to April 30. That removed the District from liability in the summer. He said that Mr. Sexton still has some concerns about the liability transfer from them to us and wants the Board to be aware that by accepting the contract, we are accepting the risks.

Mr. Sexton said that the first issue has to do with the acceptance of the entire park as is with all faults. It also makes us agree to maintain the premises in a safe and tenable condition. He said there is a one-sided hold-harmless section in the agreement that requires that the

District indemnify the State and hold it harmless against all claims and costs. If someone gets hurt using the park and sues the State, we not only indemnify the State but we also have to pay the State's attorney fees. Ms. Gustafson said that if the Board is concerned with this then they should direct Mr. Sexton and Mr. Bolton to meet with the State. The Board agreed to have Mr. Sexton try to get the changes made and bring it back next month. Kevin Murnane had a question about the statement, "Beginning with Fiscal Year 2013-2014 and on the first day of each fifth fiscal year thereafter, the Minimum Annual Rent shall be adjusted to reflect changes in the Consumer Price Index.". Mr. Bolton will get clarification and get back to him. Mr. Murnane also asked if the liability transfer wording is similar in the conservancy contract. The Board asked that this item come back after the meeting with the State.

H. PARKS AND RECREATION

10. Approval of Purchase Orders for Fuels Reduction Grant

Mr. Le Roy said that last October the District secured a grant for \$100,000 for forest fuels reduction due in large part to Bob Bryant and his efforts. This one speaks to the area of land in the Chambers/Foothill area and is for \$100,000. Our match is \$33,000 and staff is requesting the Board grant authority to the General Manager to approve two purchase orders for forest fuels reduction treatment. Director Henrikson asked about the chips being left on the ground and said he felt it was a fire hazard. Mr. Bryant said that Cal Fire considers 3-4 inches safe and anything more has to be hauled out. He added that TRPA also requests that a certain amount of chips be left on the ground so that runoff doesn't take place in the first year or two.

Motion to approve staff's recommendation to authorize the General Manager to approve the two purchase orders: Treabess/Reinkens/4-1 with Director Henrikson voting no

Ms. Gustafson commended Bob Bryant and Jon LeRoy. They have worked a lot on these complicated projects and have secured a lot of funding. We are one of a very few agencies that is being able to move forward and others are falling through without getting their permits in place.

Mr. Bryant added that the District has received \$374,000 in grants in the last couple of years and out of that we have had to pay roughly \$65,000 (17 cents on the dollar).

Director Wilkins asked if there are a lot more properties that we need to treat. Mr. Le Roy reviewed the properties. Director Wilkins said that he didn't want to leave staff wondering if they need to haul the chips or not. They will get pricing on the differential and bring it back with the next project.

G. SEWER & WATER UTILITIES

8. Draft Leak Adjustment Policy

Mr. Laliotis said that he did a lot of research on a leak policy and took the resulting policy to the Sewer and Water Committee. They discussed adding a minimum credit dollar amount limit to reduce insignificant dollar amount refunds. Mr. Laliotis suggested that instead of having the minimum credit, staff contact customers if an insignificant amount credit is requested to make sure that they understand that only one credit can be obtained every five years. He said that section of the policy would be reviewed again in one or two years to see if it needs adjusting. Mr. Laliotis also asked to add that it isn't applicable to any of our

contract water sales or water sales to private or public water companies. Director Treabess said that in the policy it says that, "In the case of appeal, the District Sewer and Water Committee and Board of Directors shall consider the application" and he wondered if it should be switched to just the Board. The Board agreed and Mr. Laliotis will strike the words Sewer and Water Committee.

Motion to approve: Reinkens/Treabess/5-0

9. Draft Water Conservation and Rebate Program

Mr. Laliotis said that with the implementation of residential water meters as well as consumption billing, staff felt it necessary to try to bring forth an up-to-date water conservation ordinance that was modeled with today's standards and brought forth the idea of rebate programs for water conservation. This was taken to the Sewer and Water Committee and several modifications were recommended. He reviewed the changes and answered questions of the Board. A discussion was held about the General Manager being able to exercise his or her authority to disconnect the water service if a customer was violating a provision of the ordinance. Mr. Sexton said that the General Manager doesn't have that authority. He said that a statement could be put in that a violation of the ordinance will be corrected as allowed by the provision of law. There was also a discussion about the consistency of the appeals section. Mr. Laliotis will review them and check to make sure that there aren't any shortfalls in the policies.

Motion to approve subject to counsel's review: Friedman/Treabess/5-0

I. CONSENT CALENDAR

President Henrikson said that items no. 12, 15, and 17 were pulled and have already been discussed. No. 16 is being pulled for discussion.

Motion to approve remainder of the Consent Calendar: Wilkins/Reinkens/5-0

11. Minutes

Parks and Recreation Committee – May 20, 2009
Finance Committee – May 22, 2009
Board Meeting – May 26, 2009

13. General Manager and Staff Reports

14. PCWA Grant

16. Recreation Program Promotion and Marketing Update

Ms. Gustafson said that the Parks and Recreation Committee made quite a few suggestions on the plan at their last meeting and she suggested that the changes be made and brought back to the Board with a specific plan so that staff knows exactly what is expected. This item will be brought back to the meeting for approval.

18. Placer County Maintenance Agreement Extension

J. GENERAL

19. Reports

Mr. Harry reported that on Friday we will hold an open house regarding the Homewood multi-use trail alternatives at the Homewood Mountain Resort South Lodge from 1:00 to 4:00. He said that a letter was sent out to affected homeowners informing them of the meeting. The West Shore Association blast was used and signs were placed out on the streets. Director Reinkens suggested that Tahoma people are interested and more signs should go out. Ms. Gustafson said that Adam Willoughby of Ted Gaines office contacted her because Ted had been approached by Max Day and somewhere in the translation it was portrayed that we were going to use eminent domain and use the highway. She corrected the statement and said that we are seeking public comment.

Director Friedman asked Mr. Homolka if he had met with Judy Topol yet. He is meeting with her tomorrow. She also asked if he had anything to report on the Tahoe Gal. He said that they met and went over the alignments with State Parks. State Parks wasn't comfortable with Larry's proposal so we are proceeding with a few revisions to our proposal to satisfy their comments. Ms. Gustafson said that the Forest Service is going to contact CTC to fight to get credit for the parking.

Mr. Bolton reported on the last concert and said that approximately 950 people attended and \$860 was collected in donations. He also reported that there was a small amount of damage done to the pier and we will be reimbursed by the guilty party. He reported that there was one call-out for the ramp being closed and the calling party didn't want to deal with us. He said that on the 3rd and 4th of July, the closing hours will be posted as 11:00 pm but they won't close the gates if people are still coming out of the lake.

Mr. Laliotis that there was a moderate sewer spill on 2nd Avenue in Tahoma on June 1. It was on conservancy property and the service connection was removed.

Mr. Laliotis also reported that there was an article in the paper regarding fire hydrants and the issue of private fire sprinkler lines. He said that four customers needed sprinklers because the fire department said that the fire hydrants weren't flowing enough capacity. According to the fire departments records, a significant portion of District hydrants weren't meeting the 1,000 gallons per minute standard. Staff was concerned and asked to work with the fire department on making sure their flow testing methods were accurate. Staff went with them to check the four hydrants in question and according to our methods all four hydrants met the standard. Staff worked with them on the process and found the flaw in their procedure. The fire department is going to go back and retest ~ 20% of the hydrants.

Ms. Gustafson said that on Monday, June 29, Doyce Boesch will be in the area. Kevin Kaufmann said that Mr. Boesch is very successfully with funding and is a highly recommended federal lobbyist from Stockton. Ms. Gustafson asked two Board members to join with her in her meeting with Mr. Boesch. Directors Reinkens and Wilkins will join them. Ms. Gustafson said that she had asked the lobbyists from South Tahoe to give us a proposal and they never did it.

Ms. Gustafson reported that a proposal for a cell tower was brought to the Community Issues meeting. Staff notified everyone within 1,000 feet of the proposed site. A complaint was received from someone just outside that boundary. She said that there is a lot of concern from the public and staff is planning on doing a workshop in July. Director Friedman said that there are a lot of these towers around the lake and it would probably help if that could be made public.

Ms. Gustafson said that the Board talked about having a special Board meeting with Dave Perrault in July regarding negotiations. She said that July 23 or 24 would work best. It was tentatively set for July 23 at 5:30 but staff will continue to set it up.

Ms. Gustafson reported that this Sunday she has a meeting with the Skyland homeowners.

Ms. Gustafson reported that Placer County has started calling forums and if we have specific things that we want the County to discuss, we should let her know. She said that there is going to be a fire forum with Senator Cox next week and she will e-mail information to the Board in case they want to attend.

20. General Correspondence

Director Friedman asked how much call outs cost when someone needs the gate at the boat ramp to be opened so that they can get their boat off of the lake. Mr. Bolton said that we haven't started charging yet because they want to see how often the calls take place.

Director Treabess said that there were a couple of e-mails this month from community members that were pretty substantial requests for information. He said that they are written to the Board and it's their prerogative how to get the information to the requester. He said the Board would like to have them come to the meetings and ask the Board. Staff spends substantial time answering the e-mails and asked the Board what they felt needed to be done with them. Mr. Sexton said that the Board has no obligation to respond to an e-mail or fax immediately and he recommended slowing things down. He recommended putting the item on an agenda for a committee meeting or have staff give a quick response to a couple of items.

K. MEETING REVIEW AND STAFF DIRECTION

21. Board Action and Direction

Ms. Gustafson reported the following:

- Staff will continue with seeding and fertilizer without cutting funds.
- Staff will proceed with promoting the swimming program.
- Staff will proceed with the dog park and anything else if fully grant funded.
- Staff will bring back other programs for potential review if the State doesn't take our money.
- On #8 on the draft leak adjustment policy, Mr. Lalotis will specifically eliminate outside water sales from the contract and will strike the Sewer and Water Committee review on the appeal process.
- On #9 of the policy, Mr. Sexton will review the conservation and rebate program.
- On the Burton Creek Operating Agreement, staff will address the liability issues, the timing of the renewals, when they will kick in, and the termination timeline.
- Mr. Sexton and Mr. Bolton will talk to the State and see how much further we can push them on the Burton Creek items. That item will come back to the Board.

L. DIRECTORS' FORUM

22. Director's Comments

Director Reinkens said that it is absolutely necessary to have a federal lobbyist and he fully supports it.

C. PUBLIC FORUM

Paul Vatistas said that he believes that a reasonable target for a reduction in the budget is \$1.4 million (25%). He said that he hopes the Board sticks up for the ratepayers and that he feels that managers need to lead the process. He said that he feels three managers and two secretaries should be let go. Director Wilkins asked Mr. Vatistas to think about what services he would want cut from his perspective to help save 25%. Mr. Vatistas responded that he didn't feel that staff should be cut except in G&A, and then whatever else needed to be saved would have to come from pensions and benefits or salary reductions.

M. CLOSED SESSION

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

23. 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

24. 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

CONFERENCE WITH LABOR NEGOTIATOR – Government Code Section 54957.6

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

PUBLIC EMPLOYEE PERFORMANCE EVALUATION – GOVERNMENT CODE SECTION 54957

26. General Manager

27. Attorney – Legal Representation

N. CLOSED SESSION REPORT

Mr. Sexton reported the following out of closed session:

- Item #23: Ms. Gustafson and Director Henrikson left the room during this item. The Board gave direction to staff. No further action was taken.
- Item #24: Staff briefed the Board on the issue and no further action was taken.
- Item #25: The Board asked that a special meeting be convened with labor counsel and instructed staff to prepare documents that it could use to compare salaries and benefits.
- Item #26: No action was taken.
- Item #27: No further action taken.

O. ADJOURNMENT

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

Erik Henrikson, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton