

BOARD MEETING  
APPROVED MINUTES

July 28, 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  
Mike Sexton, Legal Counsel  
Ginger Charlton, District Clerk

**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. CLOSED SESSION**

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

1. 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**

2. 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 NEGOTIATORS** – Government Code Section 54957.6

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

**D. CLOSED SESSION REPORT**

Mr. Sexton reported the following out of closed session:

1. Discussion on item #1 had not finished and would reconvene at the close of open session.
2. Staff briefed the Board on the status of negotiations regarding Quail Lake property. No further action was taken.
3. Staff briefed the Board on the status of upcoming labor negotiations. No action was taken.

**C. AGENDA AMENDMENTS AND APPROVAL**

4. Agenda Deletions, Changes and Audience Requests

Ms. Gustafson said that after item #7, staff would like to do items #14, #15, #17, and #17.5 while representatives from Homewood and Janet Goldsmith are still in attendance. Item #8 would be next as John Britto will be in attendance at about 6:45. People will be in attendance to discuss the Fairway Community Center so item #16 would follow at about 7:00.

5. Additions to Agenda

There were no additions.

6. Approval of Agenda

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

**E. SEWER & WATER UTILITIES**

7. Overview of TCPUD Water Rights

Janet Goldsmith gave a 75-minute presentation on water rights and answered questions of the Board. Ms. Gustafson thanked her and said that Ms. Goldsmith and Mr. Sexton both weighed in heavily on all of the agreements in the packet making sure that the District's interests are well represented.

**K. RESOLUTIONS**

14. Authorizing Grant of Access Easement to United States for Service

Mr. Henrikson said that this item was reviewed for an hour at the Sewer and Water Committee meeting and they support the recommendation of approval.

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

15. Authorizing Grant and Acceptance of Access Easements and Terminating Prior Access Easements with Homewood Village Resorts, LLC

Mr. Henrikson said this item was also reviewed at the Sewer and Water Committee meeting and they support the recommendation of approval.

**Motion to approve: Wilkins/Treabess/5-0 by roll call vote**

17. Authorizing a Conveyance Agreement for the Transfer of TCPUD Interests in Quail Lake

The Board agreed that the water rights issue was the stumbling block on this item and Ms. Goldsmith's presentation along with counsel's recommendation convinced them that they had nothing to worry about.

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

- 17.5 Authorizing Agreement with Homewood Village Resorts, LLC for the Rehabilitation and Use of McKinney Well #1

Mr. Lalotis went through the benefits to the District which were conservation, reducing our pumping costs, having the potential to use their water in an emergency because they are extending a pipeline to an area in close proximity to our distribution system, potable source capacity, and at some point a slug of iron might move through the system and the water could become less variable. He noted that there is a fee of \$1 per 1,000 gallons and there are no operational responsibilities to the District.

Mr. Lalotis reported that the District came up with an exclusive rate that has not previously been used and it technically falls into 218 requirements. Since there is only one client and they agree to the lease, Mr. Sexton wrote into the agreement that by executing the agreement, Homewood waives its right to protest.

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

**I. PARKS AND RECREATION**

8. Rideout Community Center Lease

Director Treabess said that the Committee has gone through the lease very thoroughly and the issues that they had raised and how they have been resolved are shown on the cover memo. He said that the Committee feels comfortable that the issues that they had concerns with have been resolved and they have a solid agreement. He said that the only issue that still needs to be worked out in 60 days is a reserve account for future maintenance from any side-bar leases we might put forward for Rideout School.

Mr. Britto, Director of Facilities for TTUSD, attended the meeting and answered questions of the Board. He also noted that the District recently bid out a lighting retrofit project throughout the entire District and that is a value to the PUD. Director Reinkens voiced his concern about the Fairway Community Center lease being listed as revenue going against the Rideout Community Center. Ms. Gustafson explained that the Parks and Recreation Committee asked what potential revenue streams the District has to take care of Rideout and

our recreation programs don't raise enough revenue to cover their facilities so this is an opportunity to regain it.

**Motion to approve: Treabess/Reinkens/5-0**

**K. RESOLUTIONS**

16. Declaring Certain Hours Surplus at Fairway Community Center and Authorizing a Lease to a Suitable Tenant

Ms. Gustafson reported that now that recreation services have been moved from Fairway Community Center to Rideout Community Center, there are surplus hours over what the District needs available at Fairway that could be leased for a period of time. Both Tahoe Faith Fellowship and Creekside Cooperative Charter School approached the District independently about being interested in leasing the building. The Parks and Recreation Committee met with both groups and everyone has agreed that the District could lease the building to both groups.

Ms. Gustafson reported that the District was the recipient of per capita grant money to rehabilitate/renovate capital improvements in Parks and Recreation facilities several years ago and \$55,000 was used on a retrofit of all of the windows in the Fairway Community Center as an energy conservation improvement project. She walked the Board through the State's agreement and the discussions she has had with State representatives regarding the ability to move the funds if needed. She said that she feels very confident that we can preserve the money that was used for the windows with the recreation that we are going to continue to provide through the flexibility of the tenants or that we can pay back the money and reapply for the \$55,000 for another one of our park projects.

Mr. Sexton said that in this case the District has had a tenant in the building for a good number of years and we've gotten an assessment of what the fair market value is for lease purposes on a square foot basis and he feels the District is protected. Director Reinkens said that he has concerns about the District spending money on upgrades in the kitchen and feels the tenants should be responsible for that. Individual board members asked questions about snow removal, play ground usage, risk transfer and other concerns and were assured that staff and legal counsel would be sure everything was covered.

Ms. Gustafson said that based on her conversation with the State, she would like to change the hours that are surplus from 12:00 a.m. - 5:00 p.m. to 12:00 a.m. - 4:00 p.m. Both groups agreed to the change. The wording will be changed in the Resolution.

**Motion to move Resolution #09-23 with the amendment that the hours that are being surplus change from 12:00 a.m. – 5:00 p.m. to 12:00 a.m. - 4.00 p.m.: Wilkins/Friedman/5-0**

Ms. Gustafson said that the two groups met with the Parks and Recreation Committee last Friday and flushed out how the shared use would work. She explained that the school needs to get the contract signed since school starts soon and suggested that the Board handle the item at the Special Board Meeting on August 7<sup>th</sup> or authorize the President to sign the leases when ready.

Ms. Gustafson said that one of the items that the Committee left to staff's recommendation was how to reduce the rent for the shared use. She made a proposal to the groups to reduce the rent by 10% in exchange for keeping the restrooms available when the building is

open for general public use as part of the Tahoe Rim Trail and to allow parking for them. The two groups suggested reducing the rent by 15% below fair market value for the above offsets and adding the opportunity to reserve 10 hours per week during the period of August 15<sup>th</sup> through June 15<sup>th</sup> for the Lakeview Room and kitchen to be made available to other community organizations and meetings, and during the period of June 16<sup>th</sup> to August 14<sup>th</sup> the TCPUD may coordinate with tenants to utilize said rooms for more than 10 hours per week for other community organizations and meetings. She said she believes that is a very favorable lease to the District and preserves the grant for the windows. She said that staff believes the PUD should continue to pay for all water consumption in the building and outside but all other utilities would be paid for by the tenants. Tenant improvements would be their responsibility and the District would have to approve them.

Director Friedman voiced a concern that the lease and offsets aren't being looked at consistently with other District leases. Mr. Sexton advised that dollar amounts be computed for offsets instead of percentages. He also recommended that since the terms of the lease are still of concern, the item should be placed on the agenda for the August 7<sup>th</sup> meeting.

Director Wilkins asked if anyone else had expressed an interest in the building. Ms. Gustafson said there had been interest by the U. S. Forest Service but they would need 2 – 4 years to consider it. Placer County also expressed an interest but never pursued it. Mr. Sexton said there is no legal liability on this issue.

**Motion to authorize a lease with the two groups and authorize staff to prepare the lease documents for the Board's approval on August 7<sup>th</sup>: Treabess/Wilkins/5-0**

Bill Ransom wanted to say for the record that Cindy Gustafson and Bob Bolton are excellent employees and should get a raise.

**J. CONSENT CALENDAR**

Director Reinkens asked that all Board members read the summary on internal control that Mr. Dykstra put in the packet. A discussion followed on legal counsel's suggestion to not release employee names in the Finance Report.

**Motion to approve the consent calendar with the caveat that everyone read the internal control summary: Treabess/Wilkins/5-0 except item #12 where Director Henrikson abstained (4-0-1)**

9. Minutes

- Sewer and Water Committee – May 19, 2009
- Special Board Meeting – June 2, 2009
- Special Board Meeting – June 5, 2009
- Finance Committee – June 12, 2009
- Special Board Meeting – June 17, 2009
- Special Combined Board Meeting – June 17, 2009
- Sewer and Water Committee – June 18, 2009
- Parks and Recreation Committee – June 18, 2009
- Board Meeting – June 23, 2009
- Special Board Meeting – July 6, 2009
- Personnel Committee – July 15, 2009

10. Finance Report

11. General Manager and Staff Reports
12. Agreement between the TCPUD and the County of Placer for the Use of Park Dedication Fees
13. Progress Pay Estimate No. 1 for the Dollar Hill II and Granlibakken Water Meter Installation Project

**J. GENERAL**

18. Meeks Bay Fire Protection District Property Owner Ballot

**Motion to abstain from voting: Wilkins/Treabess/5-0**

19. Formation of "Water System Acquisition Committee" of the Board

Mr. Sexton recommended that this item be turned over to Director Wilkins for appointment now until the Lake Forest issue is dealt with and then Director Henrikson can make any changes he wishes. Director Wilkins recommended that this subcommittee be created to work with staff on a focus basis on the issues of the Lake Forest acquisition and appointed Director Treabess to serve with him on the committee. Director Wilkins suggested that it be an "ad-hoc" committee so that it wouldn't create extra staff workload. Mr. Sexton said that he didn't believe a standing "ad-hoc" committee could be formed.

20. Identity Theft Policy

Mr. Dykstra said that the Federal Trade Commission came up with a law that anyone that handles consumer credit needs to have an identity theft policy to make them alert and help them prevent identity theft. He said he got information for the policy from the Federal Trade Commission website and worked with Truckee Donner PUD's policy.

**Motion to approve: Wilkins/Friedman/5-0**

- 20.5 Pilot Program – Televising TCPUD Board Meetings

Ms. Gustafson said that TTCTV offered to do a free sample Board meeting but staff couldn't obtain a cost from them until today. It looks like it would be a minimum of \$7,200 a year to do the meetings and many areas don't get the channel. The consensus of the Board was to say no.

21. Reports

Mr. Adamson reported that the third lane at the boat ramp had to be closed for repair because the grate popped up again. The repair cost about \$900 and was bolted down with 7" bolts. All lanes are now open again. He said that the launch fees are going ok and he hasn't been hearing any complaints. When asked about security of the fees, he said that there is a cash register that counts the transactions and a hard sheet is done. He said it could be forged but it would cost a lot of money to make it more secure. Mr. Dykstra said that credit card usage should go up and that will help. A camera is being considered for next year if it is cost effective.

Mr. Adamson said that there have been several instances where the TRCD inspectors haven't opened the kiosk by 5:00 am but their supervisor seems to be getting on top of that.

Mr. Dykstra said that the California budget looks like there will be an 8% borrowing from smaller districts. He will monitor it and keep everyone up to date.

Mr. Homolka reported that quite a bit of corrosion was discovered on the service lines at Dollar Hill II. The problem was discussed with Directors Henrikson and Wilkins and it was decided to replace the service line between the main line and the meter. It will be a significant change order on a percentage basis of the contract.

Ms. Gustafson reported that the Governor signed Senate Bill 673 which allows PUD's to choose a different election technique. She explained that the Board now has a right to pass a resolution asking the County to change the way we elect Board members if they choose.

Ms. Gustafson reported that Tom Miller is doing a Placer County Forum on Thursday night and has asked her to do a presentation updating people on TCPUD issues. She will get out information on the rebate program at this forum.

22. General Correspondence

Director Friedman complimented staff on all the proactive and complimentary letters included in this packet.

Director Treabess asked Director Henrikson about TTSA's current employee salary and benefit package, if they do step and grade, and if it's frozen. Director Henrikson explained that employees can continue to go up in steps and grades that exist in their position.

**M. MEETING REVIEW AND STAFF DIRECTION**

23. Board Action and Direction

Ms. Gustafson reported the following:

- Janet Goldsmith made recommendations for district staff to take a look at our applications and petitions to make sure they are all accurate. Document our water use and write a letter to the State Board on the Quail Lake Water System and suggest to them that we are now the owners of that water.
- In the lease with the two groups for the Fairway Community Center, we should address the kitchen upgrades, the playground and the parking lot, ensure that we have fire marshal review, risk transfer, clarification on tenant improvements and the snow storage area, and demonstrate the hours of use and the offset of the ramp for that in a dollar value.

Ms. Gustafson added that she is trying to better organize to deal with the large volume of work load. She passed out a list of the items that we are taking action on and went over what will happen at upcoming monthly meetings.

August special meeting - negotiations and the Fairway Community Center lease.

August regular meeting - grant applications for Rideout playground, the Highlands easements, Homewood bike trail, the cell tower, the fire department lease, Burton Creek state park lease, budget timelines and assumptions, and Lake Forest.

September – consultant selection for next year's projects, McKinney interconnection agreement.

October – budget and rate setting, negotiations.

November – budget and rate setting, negotiations.

Ms. Gustafson added that there was a discussion on revising the committee meeting dates. The Board asked for a revised calendar with the suggested dates so that they could see if the dates would work. Director Wilkins asked if the Board could look at a way to maintain the value of the meetings but reduce the administrative workload that is created by it.

**L. DIRECTORS' FORUM**

22. Director's Comments

Director Treabess said that he thinks staff is doing an outstanding job considering the quantity of work that has been needed.

**M. CLOSED SESSION**

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

1. 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

**N. CLOSED SESSION REPORT**

Mr. Sexton reported the following out of closed session:

Item #1: Motion was made to authorize District staff to spend up to \$10,000 in consultant fees to assist in the preparation of specific schedules and a construction priority list for the Lake Forest Improvement District.  
Wilkins/Reinkens/4-0

**O. ADJOURNMENT**

The meeting was adjourned at 10:15 p.m.

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Erik Henrikson, President

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Ginger Charlton, District Clerk

Prepared by Ginger Charlton