

BOARD MEETING
APPROVED MINUTES

November 20, 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
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 Henrikson 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

Ms. Gustafson asked to add the evaluation for the Director of Utilities to item #20 in closed session.

3. Approval of Agenda

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

C. PUBLIC FORUM

Justin Broglio said that the town tree lighting will take place on December 5th and he urged the community to attend.

D. FINANCIAL

4. 2010 Budget

Ms. Gustafson reported that yesterday she received a request from the public that the budget not be adopted at this meeting because they hadn't received the budget ahead of time.

Mr. Dykstra reviewed the changes that were made to the draft budget based on Board member comments during the budget workshop and answered questions.

Director Reinkens asked about the game plan on getting a lobbyist to help in Washington, D.C. It was decided that a couple of people that the District is considering be brought to the Board for an interview.

Director Treabess reported that at the Parks and Recreation Committee, it was decided that a flat 3% rate increase for facility rentals was appropriate. He said that those anticipated revenues have been included in this budget and will be approved if the budget is approved.

Mr. Bolton said that the committee is also looking at potential pass fees which will be brought to the Board in December.

Ms. Gustafson said that because of the Federal funding that has come in on a couple of projects, it is believed that we are about \$120,000 above where we need to be in water rates for 2010 based on our projections. The Board requested staff to look at three options. They were:

1. HDR's rate projections.
2. Discounting the rates by \$120,000.
3. Discounting the rates by \$60,000.

Ms. Gustafson said that staff is proposing that the Board not touch the base rates and only deal with consumption. She also reported that currently the budget is shown with the projection of using the full HDR rates.

Mr. Sexton made two points to the Board. The first was when looking at comparisons of what this District charges versus what other District's charge, it's interesting from the perspective of determining how efficiently this District operates, but it's totally irrelevant when it comes to setting rates. Rates are set based on the HDR study and the findings made on what it costs the District to operate the water and sewer service system. The second part is when setting rates, keep in mind that the District just went through a really significant nosebleed when it went through the rate hearing. It was very difficult; it went on for a long time; tough choices were made; and although it may feel good to roll rates back, if there isn't a substantial basis for doing so, he advised against it.

A couple of other options for rates were discussed by the Board.

Motion to move approval of the budget with setting water rates at the 2010 approved level and setting the sewer rates at the 2010 approved level: Wilkins/Reinkens/4-1 with Director Henrikson voting no

Ms. Gustafson said that she understands Director Henrikson's vote and concerns on the budget adoption. She reminded the Board that the budget is a plan and all of the expenditures in the plan come back to the Board. At that time they can be discussed further.

E. PROJECTS

All items covered under consent calendar.

F. SEWER & WATER UTILITIES

All items covered under consent calendar.

G. PARKS AND RECREATION

All items covered under consent calendar.

H. CONSENT CALENDAR

Director Friedman asked to pull the October 27th Board minutes.

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

5. Minutes

- Parks and Recreation Committee – September 17, 2009
- Parks and Recreation Committee – October 20, 2009
- Special Board Meeting – October 20, 2009
- Special Board Meeting – October 26, 2009
- Community Issues Committee Meeting – October 26, 2009
- Board Meeting – October 27, 2009
- Budget Workshop – November 3, 2009

Director Friedman said that she believes the minutes have too much detail on non-action items and asked that the minutes that are submitted be stamped "Draft". She went over changes in wording and deletions she felt were needed.

Motion to approve the minutes as amended: Friedman/Treabess/5-0

6. Finance Report

7. 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

8. Tahoe Tavern Booster Pump Station Rehabilitation
Agreement for Professional Services
Additional Services and Compensation

9. Lower Tahoe Tavern Heights Distribution Improvements Project
Agreement for Professional Services
Additional Services and Compensation

10. Condominium Master Water Metering Project
Progress Pay Estimate No. 4 – Partial Release of Retention

I. GENERAL

11. Snow Removal, Storage and Disposal Issues

Ms. Gustafson said that the District has a legal opinion stating Mr. Sexton's concern that the District shouldn't be in the snow storage business at any site. The intent of the memo is for use with the County and other agencies moving forward to try to get Placer County to take the lead on this issue.

Justin Broglio reported that the TCDA Board met yesterday and gave clear direction that TCDA did what they had an agreement to do and they cannot continue to be involved in the contracting process. Their Board directed staff to go to the County and request a permanent solution for the snow removal issue. Mr. Broglio also reported that golf course staff contacted them and reported that there is a Lahontan water quality monitoring well right at the property line below the Fairway Community Center.

Dave Wilderotter reported that the TCDA Board made it clear that they don't have the resources to pay for an attorney and that the responsibility for this falls on a combination of property owners, business owners, and the County.

Mr. Broglio said that in recent week's haulers and business owners agreed that TCDA has done all that they can and the County needs to handle it. They have told him that they will figure out what to do with the snow in the meantime.

Director Wilkins asked if the District is willing to allow the Fairway Center to be used given that TCDA will not be running interference on the administrative side. The Board discussed it and decided that no District property could be used for snow storage.

Jan Brisco said that the business owners are being forced into making individual contracts with private property owners at the 11th hour and hopes that the District will consider allowing snow to be stored on District property on an emergency basis. She requested a letter from the General Manager to the County stating that the TCPUD held the burden of snow removal for many years and it's the County's responsibility. Ms. Gustafson said that our legal counsel helped with a letter and it will be going to the County.

Mr. Sexton said that he believes the Board needs to give direction to staff now on where they expect the District to go from here.

Motion to not allow any snow storage on District properties except for our own use: Reinkens/Motion died from lack of a second

Director Wilkins said that he believes staff already has direction which is that the only way that the two pieces of District property are to be used is through an agreement with TCDA. Ms. Gustafson said that further direction was that the Community Issues Committee would be participating with this on an on-going basis for a long-term solution. Mr. Sexton said that the Board has a letter from the law firm and if the Board wants the County to have it, they need to direct staff to do that. Director Friedman said that the Board could give direction to staff to send the opinion to the County with a cover letter and she would like to see it done in conjunction with TCDA. Mr. Sexton said that the District doesn't have authority to deal with snow and shouldn't take emergency action to deal with it.

12. Reports

Mr. Laliotis introduced Coral Lochridge, the District's new Technical Services Supervisor, and gave a brief history of her experience. The Board welcomed her.

Ms. Gustafson announced that Tony and Lisa Laliotis had a baby girl a week ago; Matt Homolka had surgery; and that the District has been very short-staffed because our Senior Accountant has been out for a long time with health issues.

Mr. Dykstra reported that the Finance Committee reviewed the fire prevention program that the District did this year. The PUD was facing a \$450,000 expense to treat over 100 acres and moved very aggressively to secure over \$350,000 in grants. He said more money was spent this year than was in the budget but it will ultimately save the District a huge amount. He added that the State was successful in selling the Proposition 1A bonds and the District should receive the money as scheduled.

Mr. Harry said that the Placer County Board of Supervisors approved the NLTRA grant award of \$1.75 million for the Lakeside Trail. He added that he will be submitting a Caltrans Bicycle Transportation Account Grant for \$1.8 million for the same trail sections through Placer County.

Mr. Laliotis said that he has received a draft report from the forensics lab regarding the investigation on the valve failures at McKinney and there should be a final conclusion with the next few weeks.

Mr. Bolton reviewed the upcoming holiday events; reported that a young man died on a motorcycle last Saturday near one of our water tanks on CTC property; and announced that Sierra Stevens is being sponsored by Rideout for Snowfest Queen.

13. General Correspondence

Ms. Gustafson pointed out that there was information in the Board book on the water bond. She said that we will stay involved with this if it goes through because there will be some pots of money for which we would be eligible.

Ms. Gustafson reported that we received a couple of official requests for temporary disconnects of water services where people aren't here for winter months. Mr. Laliotis has denied them and they have been appealed to Ms. Gustafson. She denied the requests but warned the Board that they could appeal to them.

Ms. Gustafson reported that staff and the Board have received a number of e-mails from Paul Vatistas. They were brought to the Finance Committee and staff was given direction to draft a letter addressing his concerns for the President's signature. Mr. Sexton recommended that the Board take action to approve the response and have the President sign the letter. He also encouraged the board to give staff some direction so they feel comfortable putting off a member of the customer base when they continue to send requests for information. He noted that the requirement of a public agency is to conduct its business in the open subject to some very limited exceptions. The response to this type of request should be, "Come to the meetings". It is the customer's responsibility to observe; not the District's responsibility to spend half a day of managers' time to respond to everything that the customer would have learned had he come to the meeting.

Ms. Gustafson reported Truckee is going to the State Football Championship and Ben Bolton is their star quarterback.

14. Board Follow-up

Ms. Gustafson said that the report has been updated. A response was included regarding what other Districts do about e-mails to Directors.

J. DIRECTORS' FORUM

15. Director's Comments

Director Treabess thanked Ms. Gustafson for making breakfast.

Director Henrikson asked if the Board felt it necessary to have the Nine Points of Civility. Director Treabess said that it serves as a reminder to treat others with civility and there have been times when it would have come in handy.

K. MEETING REVIEW AND STAFF DIRECTION

16. Meeting Review and Staff Direction

Ms. Gustafson said that the only items she had was to work with TCDA on the snow storage letter to the County and building consensus with how the community deals with snow storage but not to use our properties without proper permits and not to take ownership of the issue.

Mr. Sexton said that items 17 and 18 were put on the agenda in case there were any updates. There were none so he said they could be deleted.

L. CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION

Subdivision (a) of Government Code Section 54956.9

1. Eminent Domain Proceeding of Lake Forest Water Company

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

2. 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: TIMBERLAND WATER COMPANY – Government Code Section 54956.8

3. District Negotiators: Alan Harry, Tony Laliotis, Jim Dykstra, Harold Morgan, and Dennis Viglione

Negotiating Party: John Ballard

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

CONFERENCE WITH LABOR NEGOTIATORS – Government Code Section 54957.6

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

M. CLOSED SESSION REPORT

Mr. Sexton reported the following from closed session:

17. Deleted
18. Deleted
19. Ms. Gustafson and Mr. Dykstra updated the Board on the status of labor negotiations.
20. The Board evaluated the performance of the General Manager and the Director of e direction to the General Manager.

N. POLICY REVIEW

21. Review of Proposed TCPUD Whistleblower Policy

Mr. Sexton reviewed what a whistleblower policy does and what it is meant for and recommended that the Board not adopt one for a couple of reasons. First, it is not a good idea for a public agency to adopt a policy that attempts to mimic a statutory scheme. Second, it's hard to decide where to draw the line when a negative comment comes in and it's a cumbersome way to do business. Staff could still come to the Board with comments that they have heard about how an employee or the General Manager is acting.

O. ADJOURNMENT

The meeting was adjourned at 11:25 a.m.

Dan Wilkins, President

Ginger Charlton, District Clerk

Prepared by Ginger Charlton