



# SOUTH TAHOE PUBLIC UTILITY DISTRICT

**Richard Solbrig, General Manager**  
Eric W. Schafer, President  
Chris Cefalu, Director

**BOARD MEMBERS**  
James R. Jones, Director

**Paul Sciuto, Assistant General Manager**  
Randy Vogelgesang, Vice President  
Kelly Sheehan, Director

**REGULAR MEETING OF THE BOARD OF DIRECTORS**  
**SOUTH TAHOE PUBLIC UTILITY DISTRICT**  
**June 5, 2014**  
**MINUTES**

The South Tahoe Public Utility District Board of Directors met in a regular session, June 5, 2014, 2:00 p.m., at the District Office, located at 1275 Meadow Crest Drive, South Lake Tahoe, CA.

**ROLL CALL:**

**Board of Directors:** President Schafer, Directors Cefalu, Jones, Sheehan, Vogelgesang

**Staff:** Stanley, C., Cuevas, Hussmann, Rasmussen, Cotulla, Hughes, Sciuto, Solbrig, Butz, Curtis, Alves, Ryan, Bartlett, Henderson, Guttry, Eidam and Attorney Herrema.

**Guests:** Shawn Koorn, HDR Engineering, Wayne Vinciguerra, Vinciguerra Construction, Avery Hussmann, Ferguson Waterworks, Carlos Ledon, Ferguson Waterworks, Alex Nevarez, Herback General Engineering, Marty Herman, Tom Moulie, Rob Brent and Kathi Lishman

**PROPOSITION 218 MAJORITY PROTEST HEARING**

The Majority Protest Hearing was opened at 2:05 pm. Pursuant to the requirements of Proposition 218, Paul Hughes reported that notices were mailed to all property owners on April 11, 2014. The notices included potential increases over 5 years as follows: a proposed sewer rate increase of 6% this year and an additional 6% each year over the next 4 years; for flat rate water customers, a proposed rate increase of 6.5% this year and the next 3 years and a 5% increase the fifth year; and a proposed restructured metered water rate to increase the base charge to 80% and decrease the consumptive charge to 20%. Although these proposed increases are over a 5 year period, they must still go before the Board each year and passed.

In response to the Proposition 218 mailer, the District received 305 valid protests for the water rate changes (2.17%), 342 valid protests for the sewer rate changes (1.88%) and 260 valid protests for the meter rate changes (1.85%).

The Majority Protest Hearing was the final opportunity to receive protests and was open to public comment at 2:20 pm. A few customers came forward with concerns regarding the increases. After

listening to all comments and concerns, the Hearing was closed at 2:30 p.m.

**CONSENT CALENDAR:**

**Moved Vogelgesang / Second Cefalu / Schafer Yes / Cefalu Yes / Jones Yes / Sheehan Yes / Vogelgesang Yes** to approve the Consent Calendar as submitted.

- a. **ASPHALT PATCH PAVING** – Award bid to the lowest responsive, responsible bidder, Thomas Haen Company, Inc., in the estimated amount of \$116,135 for asphalt patching services;
- b. **TAGGART EASEMENT ACCEPTANCE** – Approved Resolution No. 2949-14 approving a new recorded Easement for the Fallen Leaf main sewer force main located on the property of the Beatrice Taggart Trust;
- c. **REGULAR BOARD MEETING MINUTES** - May 15, 2014 - Approved Minutes

**ITEMS FOR BOARD ACTION:**

- a. Water and Sewer Rate Ordinance – Each Director presented their final thoughts on the proposed water and sewer increases. Directors' Jones and Schafer stated that while they intended to vote for the increase, they preferred a more significant increase as they deemed it necessary to maintain infrastructure, fire protection services and general operations, maintenance and facility improvements. Director Sheehan stated her intent to vote for the increase, however would have preferred smaller, more frequent increases over the last several years. Lastly, Directors Cefalu and Vogelgesang stated their intent to vote for the increase, however, would have preferred the smaller increase proposed due to the potential hardships placed on customers.

**Moved Sheehan/ Second Cefalu/ Passed Unanimously / Schafer Yes / Jones Yes/ Sheehan Yes / Vogelgesang Yes** to enact Ordinance No. 557-14, an amendment to the South Tahoe Public Utility District's Ordinance No. 464, and superseding Water and Sewer Rate Ordinance No. 540-12.

- b. Fiscal Year 2014/15 Water Enterprise Fund Budget – Adopt Resolution No. 2947-14 adopting the Fiscal Year 2014/15 Water Enterprise Fund Budget.

**Moved Schafer/ Second Sheehan/ Passed Unanimously / Cefalu Yes / Jones Yes / Vogelgesang Yes/** to adopt Resolution No. 2947-14 adopting the Fiscal Year 2014/15 Water Enterprise Fund Budget.

- c. Fiscal Year 2014/15 Sewer Enterprise Fund Budget – Adopt Resolution No. 2948-14 adopting the Fiscal Year 2014/15 Sewer Enterprise Fund Budget.

**Moved Schafer/ Second Sheehan/ Passed Unanimously / Cefalu Yes / Jones Yes / Vogelgesang Yes/** to adopt Resolution No. 2948-14 adopting the Fiscal Year 2014/15 Sewer Enterprise Fund Budget.

- d. Sunset Well Evaluation – Continue emergency action to install a replacement submersible pump and motor at Sunset Well.

Staff reported the newly, refurbished motor will be installed on June 19, 2014.

**Moved Vogelgesang/ Second Cefalu/ Passed Unanimously/ Schafer Yes Jones Yes/ Sheehan Yes/**  
to continue emergency action to install a replacement submersible pump and motor at Sunset Well.

- e. Liability Claim Against South Tahoe Public Utility District – Staff reported a claim was filed for driveway damages due to repair of a water leak on the main line. Upon inspection by the insurance company, there is no evidence of any lifting or undermining of the asphalt, therefore, it was recommended the claim be rejected.

**Moved Jones/ Second Vogelgesang/ Passed Unanimously/ Schafer Yes/ Jones Yes/ Sheehan Yes/**  
to reject claim against the District in the amount of \$5,000+ for damages to Martha Cooper's driveway.

- f. Saddle Keller Waterline Replacement Project – Staff reported that last year the District and the City of South Lake Tahoe (City) entered into an agreement by which the District, due to unforeseen circumstances between the City and Contractor, would perform patch repairs on Pioneer Trail. Most recently, staff reported that as part of the Saddle Keller Waterline Replacement Project the District's contractor will make improvements to asphalt pavement which was damaged by the District's 2013 Pioneer Trail Water Services Relocation Project. For consistency, the City has requested the District make improvements to the pavement beyond the limits of the area damaged by the District's work, at the City's cost. Staff and the City have produced a Reimbursement Agreement to take effect immediately.

**Moved Jones/ Second Vogelgesang/ Passed Unanimously/ Schafer Yes/ Jones Yes/ Sheehan Yes/**  
to authorize staff to terminate existing Reimbursement with the City of South Lake Tahoe, dated September 17, 2013; (2) Authorize staff to enter into a Reimbursement Agreement with the City Of South Lake Tahoe to provide improvements to pavement on Pioneer Trail, with potential minor Modifications to be made by staff.

- g. Saddle Keller Waterline Replacement Project – Herbeck General Engineering (Herbeck) requested to substitute the approved materials supplier listed in the Bid Documents, Ferguson, with Western Nevada Supply Company (WNS). A representative from Ferguson attended the meeting and stated they would agree to relinquish the Bid to WNS, however, specifically requested the Board read their submitted letter taking exception to reasons given by Herbeck. The Board acknowledged receipt of the letter.

**Moved Vogelgesang/ Second Sheehan/ Passed Unanimously/ Schafer Yes/ Jones Yes/ Cefalu Yes/**  
to approve Change Order No. 1 to substitute the approved materials supplier, Ferguson, which was listed in the Bid Documents, with Western Nevada Supply Company, at no cost to the District.

- h. Payment of Claims

**Moved Cefalu/ Second Shafer/ Sheehan Yes/ Jones Yes / Sheehan Yes / Vogelgesang Yes** to approve the Payment of Claims in the amount of \$1,207,766.64.

#### **STANDING AND AD-HOC COMMITTEE REPORTS:**

Richard Solbrig stated he attended a preliminary meeting with Lakeside Park District staff (along with Directors Cefalu and Jones and others) to discuss provision of water service for the convention center site.

**BOARD MEMBER REPORTS:**

Director Jones reported the next El Dorado County Water Agency meeting will be Wednesday, June 11<sup>th</sup>.

**EL DORADO COUNTY WATER AGENCY PURVEYOR REPORT:**

Nothing to Report

**GENERAL MANAGER REPORT:**

Solbrig stated he was a guest on KRLT radio on Tuesday morning and will be making an appearance on Lake Tahoe TV Friday, June 13<sup>th</sup>.

**STAFF/ATTORNEY REPORTS:**

Attorney Herrema briefly discussed the ACWA proposal regarding California groundwater and the importance of updating the District's Groundwater Management Plan, paying close attention to state legislation. He also discussed the Army Corp of Engineers permitting scrutiny and stated there will be a conference call on June 10, 2014, to further discuss the Clean Water Act Rule and encouraged input from all involved.

**BREAK AND ADJOURNMENT TO CLOSED SESSION:** 3:40 p.m.

**RECONVENED TO OPEN SESSION:** 3:50 p.m.

**ACTION / REPORT ON ITEM DISCUSSED DURING CLOSED SESSION:**

- a. Pursuant to Government code Section 54956.9(a)/Conference with Legal Counsel Existing Litigation re: El Dorado County Superior Court Case SC20120227 GRCLT Condominium vs. South Tahoe Public Utility District (filed 10/22/12).

**No reportable Board action.**

- b. Pursuant to Government Code Section 54956.9(b)/Conference with Legal Counsel Anticipated Litigation (two potential cases).

**No reportable Board action.**

- c. Pursuant to Government Code Section 54957(a)/Conference with Labor Negotiators re: Memorandum of Understanding with Stationary Engineers, Local 39. Present at this Closed Session will be Agency Negotiators: Richard Solbrig/General Manager, Nancy Hussmann/Human Resources Director, Paul Hughes/Chief Financial Officer.

**No reportable Board action.**

**ADJOURNMENT:** 4:30 p.m.



Eileen Eidam, Assistant Clerk of the Board  
South Tahoe Public Utility District



Eric Schafer, Board Member  
South Tahoe Public Utility District