



SOUTH TAHOE PUBLIC UTILITY DISTRICT

Randy Vogelgesang, President
Chris Cefalu, Director

BOARD MEMBERS
James R. Jones, Director

Kelly Sheehan, Vice President
Nick Exline, Director

John Thiel, General Manager

Shannon Cotulla, Assistant General Manager

REGULAR MEETING OF THE BOARD OF DIRECTORS SOUTH TAHOE PUBLIC UTILITY DISTRICT March 21, 2019 MINUTES

The South Tahoe Public Utility District Board of Directors met in a regular session, 2:03 p.m., at the District Office, located at 1275 Meadow Crest Drive, South Lake Tahoe, California.

ROLL CALL:

Board of Directors: President Vogelgesang, Directors Cefalu, Jones, Sheehan, Exline

Staff: John Thiel, Paul Hughes, Shannon Cotulla, Gary Kvistad, Melonie Guttry, Brian Bartlett, Doug Van Gordon, Trevor Coolidge, Star Glaze, Jessica Henderson, Nancy Hussmann, IV Jones, Tiffany Racz, Tony Prieto, Jim Kelly, Brent Goligoski, Steve Caswell, Jeremy Rutherford, Cuz Cullen, Shelly Thomsen, Linda Brown, Heidi Baugh, Debbie Henderson

Guests: Nancy Gibson; Steve and Andy Francis; Paula Petersen, *South Tahoe Now*; Brooke Laine, Mayor/City of South Lake Tahoe; Rick Linds, Harold Singer, Mark Remelmon; Brad Zlendick, Lake Valley Fire Protection District; Patricia Sussman

COMMENTS FROM THE AUDIENCE:

None

CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR:

Director Exline requested that Items 6.a and 6.b be interchanged.

CONSENT CALENDAR:

Moved Sheehan/Second Exline/Vogelgesang Yes/Cefalu Yes/Jones Yes/Sheehan Yes/Exline Yes to approve the Consent Calendar and Action Item changes as presented.

a. **UNIFORM AND LINEN SERVICE CONTRACT**

(Heidi Baugh, Purchasing Agent)

Authorized a 2-year Contract renewal with AmeriPride Services in an estimated amount of \$33,000 per year.

b. **SOUTH Y FATE AND TRANSPORT MODEL**

(Ivo Bergsohn, Hydrogeologist)

Authorized staff to raise the cost ceiling for Task Order No. 4 to \$117,216 and extend the schedule to May 31, 2019, to accommodate continued work for evaluation of management scenarios for the South Y Feasibility Study.

- c. **TAHOE VALLEY SOUTH BASIN SURFACE/GROUNDWATER MODEL AS-NEEDED MODELING SERVICES**
(Ivo Bergsohn, Hydrogeologist)
Accepted the Cost Proposal from the Desert Research Institute to provide the District As-Needed Groundwater Modeling Services over a two-year period at a not-to-exceed cost of \$20,000 per year.
- d. **TEMPORARY HELP FOR UNDERGROUND REPAIR, WATER**
(Tony Prieto, Supervisor, Underground Repair, Water and Chris Stanley, Manager of Field Operations)
Approved hiring of three temporary employees for Underground Repair Water from May 1, 2019, through October 31, 2019, in the estimated amount of \$50,900.
- e. **TEMPORARY HELP FOR PUMPS DEPARTMENT**
(Jeremy Rutherford, Pump Station Supervisor and Chris Stanley, Manager of Field Operations)
Approved hiring of two temporary employees for the Pumps Department from May 1, 2019, through October 31, 2019, in the estimated amount of \$32,500.
- f. **2019 ROCKY POINT II WATERLINE REPLACEMENT PROJECT**
(Shannon Cotulla, Assistant General Manager)
Authorized staff to rebid the project.
- g. **REGULAR BOARD MEETING MINUTES: March 7, 2019**
(Melonie Guttry, Executive Services Manager/Clerk of the Board)
Approved March 7, 2019, Minutes

ITEMS FOR BOARD ACTION

- a. Proposition 218 (John Thiel, General Manager) – **John Thiel** provided an outline for discussion from the Board Workshop on March 13, 2019. **Paul Hughes** presented a draft typical residential customer increase, and **Attorney Kvistad** commented that the residential, single-family spike must be completed in one year in order to be compliant with the Proposition 218 process. Staff and the Board further discussed the hybrid rate option.

Ryan Lee provided details regarding the potential for the District to transition from quarterly to monthly customer billing and addressed questions from the Board. **Shelly Thomsen** provided information regarding the transition process for billing, including the option for monthly customer payments. Staff provided further information regarding the Customer Assistance Program including requirements for eligibility for the program. Adjusting the Customer Assistance Program from 20% to 25% assistance will require an Ordinance change, which will be brought to the Board for approval in May.

Shannon Cotulla provided rate scenarios regarding the Water 10-year Capital Improvement Program. He and **Steve Caswell** addressed questions from the Board. **John Thiel** provided information regarding the Capital Improvement Program project bidding process, water line and fire flow projects as well as steel pipe replacement information.

The Board listened to comments from the audience including:

Nancy Gibson who announced her support for infrastructure at the District and in support of the rate increases. **Patricia Sussman** who is supportive of increasing rates to pay for infrastructure as the increased fees lead to a safer community. **Harold Singer** who posed questions regarding vacation rentals, which were addressed by **Paul Hughes** who explained the two tiers of water consumption costs.

Mark Remelmon who posed questions regarding the potential to charge transient fees rather than raise rates, which was addressed by Paul Hughes who explained that the cost of service applies to properties not transients. Brad Zlendick of Lake Valley Fire Department, who explained the need for increased fire flows and addressed questions from the Board. Andy Francis asked the Board to be proactive, not reactive, regarding the rates pertaining to fire flow. The Board discussed the various rate increases and staff addressed questions regarding the potential increases.

Moved Exline/Second Sheehan/Vogelgesang Yes/Cefalu No/Jones No/Sheehan Yes/Exline Yes to continue Capital Improvement Program and rate impact discussion and direct District staff to issue a Proposition 218 Notice with the Board's direction of a maximum of 6% water and 5% sewer scenarios.

- b. Liberty Utility Street Lights (Tim Bledsoe, Customer Service Manager) – John Thiel provided details regarding the need for more time to work with Liberty Utilities and the City of South Lake Tahoe in order to determine the best options for street light billing.

Moved Cefalu/Second Sheehan/Vogelgesang Yes/Cefalu Yes/Jones Yes/Sheehan Yes/Exline Yes to direct staff to rescind the current Notice of Termination to Liberty Utilities for the District's billing of street lights as of March 31, 2019, and provide a new Notice of Termination effective June 30, 2019.

BREAK AND RECONVENE TO OPEN SESSION: 4:03 p.m.

RECONVENE TO OPEN SESSION: 4:12 p.m.

- c. Approve Payment of Claims (Debbie Henderson, Accounting Manager)

Moved Sheehan/Second Cefalu/Vogelgesang Yes/Cefalu Yes/Jones Yes/Sheehan Yes/Exline Yes to approve Payment of Claims in the amount of \$1,723,926.57.

STANDING AND AD-HOC COMMITTEE REPORTS:

President Vogelgesang announced the Ad-Hoc City Council Committee meeting scheduled for this morning was cancelled and the meetings may move to a bi-monthly schedule.

BOARD MEMBER REPORTS:

Director Jones reported he attended a vegetation cleanup meeting at the Meyers Fire Department. Brad Zlendick explained Fire Code 4291, defensible space. Paul Hughes reported the District is researching grant funding to address Fire Code 4291.

EL DORADO COUNTY WATER AGENCY PURVEYOR REPORT:

Director Sheehan reported she and John Thiel attended the meeting on March 13, 2019.

GENERAL MANAGER REPORT:

John Thiel reported on several items:

- Provided a staffing update and introduced Shelly Thomsen, Public Affairs Manager/Water Conservation Specialist.
- Results of the District Salary Survey will be brought to the next Board Meeting for consideration.

- Lahontan has received \$4.6 million for PCE cleanup. **John Thiel** presented to the Lahontan Board on March 14, and thanked them for their response to PCE cleanup efforts.
- Approximately 60 people attended the Meet & Greet at South Lake Brewing Company on March 21. **John Thiel** provided details regarding several presentations already completed and several more scheduled to local service clubs.

STAFF/ATTORNEY REPORTS:

Shelly Thomsen provided information regarding the two Chambers of Commerce memberships and addressed questions from the Board. The Board directed staff to join both Chambers.

Doug VanGorden and **IV Jones** presented information regarding the sewer leak in the Tahoe Keys with a total repair length of 39 inches. Staff cultivated a good relationship with Summit Plumbing, who performed the repair. The Board acknowledged staff on a job well done.

BREAK AND ADJOURNMENT TO CLOSED SESSION: 4:44 pm

RECONVENED TO OPEN SESSION: 4:52p.m.

ACTION REPORT ON ITEMS DISCUSSED DURING CLOSED SESSION

- a. Pursuant to Section 54956.9(a) of the California Government Code, Closed Session may be held for conference with legal counsel regarding existing litigation: False Claims Act Case: United States, the States of California, Delaware, Florida, Nevada, and Tennessee and the Commonwealths of Massachusetts and Virginia ex rel. John Hendrix v. J-M Manufacturing Company, Inc. and Formosa Plastics Corporation, U.S.A., Civil Action No. ED CV06-0055-GW, United States District Court for the Central District of California.

No reportable Board action

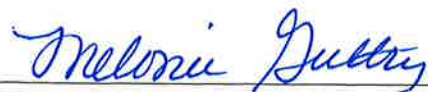
- b. Pursuant to Section 54956.9(a) of the California Government Code, Closed Session may be held for conference with legal counsel regarding existing litigation: Los Angeles County Superior Court, Case No. BC459943, State of Nevada, et al. v. J-M Manufacturing, et al.

No reportable Board action

- c. Pursuant to Government Code Section 54956.9(d)(4)/Conference with Legal Counsel regarding Potential Initiation of Litigation (one case).

No reportable Board action

ADJOURNMENT: 4:55 p.m.



Melonie Guttery, Clerk of the Board
South Tahoe Public Utility District



FOR Randy Vogelgesang, Board President
South Tahoe Public Utility District