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**ALPINE SPRINGS COUNTY WATER DISTRICT
MINUTES OF THE REGULAR BOARD OF DIRECTORS MEETING**

Pursuant to notice given, the regular meeting of the Board of Directors, Alpine Springs County Water District, was held Friday, June 11, 2004 at 8:30 a.m., District Board Room, 270 Alpine Meadows Road.

1. **CALL TO ORDER**

President Bass called the meeting to order at 8:30 a.m.

PLEDGE OF ALLEGIANCE

Those attending joined in reciting the Pledge of Allegiance.

ROLL CALL

Directors Present: Tom Bass, President; Barbara Danz, Vice President; Janet S. Grant; Jon Northrop; Tony Stefani

Directors Absent: none

Staff Present: John Shaw, P.E. of John Shaw Consulting, LLC, District General Manager; Jancis Martin, Recording Secretary

Guests Present: Virginia Quinan/JMA; Peter Graf/AMEA; Sue Rae Ireland/Recreation Center Communities Committee (R3C); Lee Massick/TCPUD Parks & Recreation Commission; Don Fulda/ R3C & District resident; Jessica Nolan-Bowers/BCA resident & business owner; Jan Ganong/Park Committee; Ken Gracey/self interest in R3C; Catherine Krauss; Dick Genest/District resident; Lowell Northrop/District resident; Duane Whitelaw/North Tahoe Fire Protection District; Keith Ristinen/VPoint, Mike Bidart/VPoint

2. **PUBLIC PARTICIPATION**

Lee Massick presented information on the upcoming opening of the Tahoe City Commons on Sunday June 13, 4 - 6 p.m., with a fundraising barbeque to support the North Tahoe High School soccer team.

3. **ITEMS FOR BOARD DISCUSSION & ACTION**

A. **Financial Report:**

- i. **Expenses Paid & Payable – June 8, 2004:** Director Grant asked about the lack of a statement from Placer County; John Shaw replied that he requests it monthly, but that it takes a long time to come, usually not in time to include in the Board package. Director Grant made a MOTION that the Board approve the Expenses Paid & Payable with the exception of check 2366 (\$754.59, payable to USA BlueBook – to be discussed during the Budget & Finance Committee report as an unbudgeted expense). Director Danz seconded the motion. All Directors being in favor, the motion was APPROVED.
- ii. **Financial Statement – May 31, 2004:** No discussion.
- iii. **Investment Report – May 31, 2004:** No discussion.

B. **Approval of Minutes for the May 10, 2004 Regular Board Meeting:** Director Danz suggested the following amendments:

- Page 1, line 18: replace “BCPC” with “BCA” both times it occurs
- Page 2, line 4: delete “Homeowners”
- Page 2, line 6: insert a period after the word “engine. Insert after the period the beginning of a new sentence: “Division Chief Keller stated that the new engine could provide” and continue it with the existing text (“for additional pumping capacity ...”).
- Page 2, line 8: insert “other potential” before “access areas”
- Page 2, line 8: replace “one owned by private property owners” with “one privately owned lot”
- Page 2, line 8: replace “were” with “is”
- Page 2, line 9: insert “in providing an easement” after “interested”

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- Page 2, line 9: insert a period after “Creek”, delete the following “and”, replace “the” with “The” to start a new sentence
- Page 2, line 11: delete “enforce and”
- Page 2, line 11: insert “before reaching an agreement” after “EIR”
- Page 2, line 36: replace “all” with “All”
- Page 2, line 39: replace “the” with “The”
- Page 2, line 46: replace “why” with “how”
- Page 2, line 48: replace “didn’t use the fund numbers” with “didn’t record expenditures by fund”
- Page 2, line 49: replace “funds” with “dollar amounts”
- Page 2, line 50: replace “funds” with “amounts”
- Page 3, lines 5 & 6: insert a period after the first occurrence of the word “through”, delete the rest of the sentence (starting with the semi-colon, through and including “pay the bill” on line 6).
- Page 3, line 12: delete “wanted it”
- Page 3, line 14: replace “their” with “its”
- Page 3, line 15: delete “we also post”, insert “is posted” after “agenda”
- Page 3, line 28: replace the entire sentence starting with “Director Grant” with the following sentence: “Director Grant stated that approval by the Board is required.”
- Page 3, line 32: replace “A copy of the” with “The”
- Page 4, line 35: replace “NTFPD has” with “The California Lake Tahoe Fire Departments have” and replace “lake” with “affected areas”
- Page 5, line 3: replace “is out” with “report has been distributed”

Director Grant made a MOTION that the minutes be approved as amended. Director Danz seconded the motion. All Directors being in favor, the motion was APPROVED.

C. Resolution 6-2004, Appropriation Limits for FY 2004/05: Director Grant made a MOTION that the Board approve the Resolution. Director Danz seconded the motion. In discussion, the following discrepancies were noted:

- In the third “Whereas”, there are missing words
 - In the fourth “Whereas”, the word “springs” should be capitalized.
- Director Danz made a MOTION to table the previous motion to the next meeting. Director Grant seconded the motion to table. All Directors being in favor, the motion to table was APPROVED.

D. Ordinance 4-2004 Garbage Rate Increase: Director Grant made a MOTION that the Board adopt Ordinance 4-2004. Director Danz seconded the motion. In discussion, Director Danz said the ordinance needs further revision because it is based on Ordinance 1-87 which was previously revoked by the Board. Director Danz made a MOTION that the motion (to adopt the Ordinance) be tabled. All Directors being in favor, the motion to table was APPROVED.

E. North Lake Tahoe Recreation Center: Sue Rae Irelan presented information regarding the proposed North Lake Tahoe Recreation Center. For four years, she and others have been working on the development of a local recreation center by gathering public input, polling residents, gaining cooperation of local PUDs, raising funds and hiring lawyers and architects. The development group is now trying to meet a June 30 deadline for a draft proposal to get a measure on the November ballot for voter approval of funding for the recreation center.

1 The proposed facility (on Dollar Hill) would include gymnasium, walking/running
2 track, pool, therapy pool, exercise rooms, after-school care area, climbing wall,
3 babysitting area, and senior area. Sue Rae distributed an information packet
4 with financial information (construction cost, cost of entire project, operational
5 analysis for a proposed budget and required subsidies, and fundraising options).
6

7 A few Alpine Meadows residents have attended planning meetings to date but
8 won't be able to participate in the development and operation of the center
9 unless the District is included in the Joint Powers Authority (JPA) that will be
10 overseeing the facility. Sue Rae presented material from the group's legal
11 counsel, describing the legal relationship and responsibilities between ASCWD
12 and the JPA. One member of the ASCWD Board would sit on the JPA Board
13 which will promote voter approval of the measure (the November measure to
14 raise taxes to pay for the center) and oversee construction and operations of the
15 center (although day-to-day operations of the center would be carried out by a
16 contractor). The cost to residents would be \$96 per parcel per year for 30 years.
17 If the ballot measure is approved by the voters, District residents would be
18 eligible for a discounted membership cost.
19

20 A question-and-answer session ensued between Board Directors and Sue Rae.
21 Director Danz asked questions about financial implications to District residents
22 and about the distance from the Tahoe City Wye to the proposed site. Director
23 Stefani noted exclusively positive feedback from Alpine Meadows residents and
24 expressed his personal approval of the project; he recommended the Board
25 become involved in the JPA. President Bass asked if non-members would be
26 able to participate at the center; Sue Rae replied that the center would be a
27 public facility; non-members could participate in all the activities but would pay
28 more for use than members. President Bass asked about the proposed structure
29 of the JPA Board; Sue replied that the proposal was for five initial participants -
30 two from each supporting PUD and one from ASCWD - and that the structure
31 could change as the life of the JPA proceeds from measure promotion to
32 construction to operations. Virginia Quinlan asked about the process required for
33 approval of Alpine Meadows participation in the JPA. Sue Rae responded that
34 2/3 of all voters must approve the measure for it to pass. Director Danz pointed
35 out that the number of Alpine Meadows voters is too small to affect the outcome
36 of the vote. Director Northrop asked if the group had discussed running the
37 center as a private entity, as opposed to a public entity, so as to avoid burdening
38 residents with a yearly tax when potentially relatively few of them might take
39 advantage of the center; Sue Rae replied that the idea had been discussed but
40 that the construction of a private center would be prohibitively expensive.
41

42 Before soliciting public comment, President Bass pointed out that the District
43 residents are facing a potential large increase in cost, due to findings in the
44 LAFCO report (to be discussed later in the meeting), and a potential 40%
45 decrease in District revenues (due to the current state budget forecast). Jan
46 Ganong expressed her enthusiasm about the District joining the JPA, mentioning
47 a probable enhancement of property values. Ken Gracey expressed his support
48 for the proposal. Don Fulda expressed his support for ASCWD joining the JPA,
49 saying that District voters deserved the chance to express their opinion directly,
50 which won't happen unless the Board votes to join the JPA. Catherine Krauss
51 expressed her support for the proposal and asked whether the \$96 per year tax

1 would increase if Alpine Meadows did not participate in the JPA; Sue Rae said
2 JPA would have to raise about \$1 million by some other means if Alpine
3 Meadows did not participate but that the \$96 per year tax would not be affected.
4 Dick Genest asked if the Board would vote on the proposal today; he realized
5 there wasn't time for the District's legal counsel to evaluate the wording of R3C's
6 proposal for the Board to join JPA and advised that the Board keep future
7 financial fiscal District liability in mind when voting. Jessica Nolan-Bowers
8 suggested that the Board pass an approval motion with a clause that approval be
9 contingent on subsequent evaluation of legal and fiscal impact. She also asked
10 about the percentage of District residents who live in the San Francisco Bay area
11 (President Bass suggested that there are about 70% part time residents) and
12 percentage of residents who are renters (about 10%); she suggested that there
13 was a lot of wealth in the valley and that the proposed \$96 yearly tax was
14 "peanuts" to wealthy second-home owners. Director Danz responded that there
15 are also residents in the valley who are not wealthy but are constituents of the
16 Board and their economic situation needs to be considered as well. Ken and
17 Jessica made passionate declarations about the value of the center to valley
18 residents who have children. Jan said she thought second-home owners would
19 be happy to have accessibility to the center, rather than seeing the cost of
20 supporting the center as a burden. Jessica said the number of members of the
21 Squaw Creek resort shows there is general support for a recreation center in the
22 area.

23
24 President Bass solicited new comments. Peter asked about the geographic area
25 served by the JPA; Sue Rae replied that it reached to Emerald Bay along the
26 west shore, to the state line and highway 267 crest along the north shore, and to
27 Alpine Meadows (but not to Squaw Valley) along the highway 89 corridor.
28 Catherine recommended that the Board put together a letter to the District
29 homeowners on the issue, potentially today, soliciting input. Lee Massick stated
30 his support for the center and for the Board joining the JPA.

31
32 Director Grant agreed that an immediate advisory mailing to residents, soliciting
33 input, would be a good idea. President Bass and Director Stefani liked the idea,
34 too. The cost of such a mailing would be no more than about \$500. Sue Rae
35 said her association could pay for the mailing. Manager Shaw and Sue Rae said
36 they would draft the mailing; Directors Danz and Grant and Northrop offered to
37 review the mailing before it goes out. All Directors being in favor, the action was
38 approved. President Bass thanked the public participants.

39
40 (The Board took a break from 10:35 – 10:50a.m., resumed with the Fire
41 Committee report and Chief Whitelaw's Fire Department report - found here in
42 the original agenda order in items 3Iiii and 3Iix - then continued with the Water
43 Conservation Plan presentation.)

- 44 **F. Water Conservation Plan:** Keith Ristinen from VPoint gave a summary of their
45 draft water conservation plan for the District. Their schedule would have
46 implementation start in August 2004, with an annual review of the plan taking
47 place a year later to evaluate effectiveness and to make appropriate
48 modifications to the plan. The draft plan recommends an additional meter
49 reading to evaluate summer water usage (the cost of a meter reading is under
50 \$5K). The draft plan also recommended that the District adopt a water
51 conservation policy. Director Danz recommended to Keith that words be added

1 to the description of the "Unrestricted" tier of the conservation policy, to the effect
2 that residents use common sense in being careful about water usage, even
3 during times of unrestricted water use. Director Grant suggested that the next
4 District mailing be used to distribute information about the plan to residents.
5 There was discussion about implementation of the plan, whether it should be
6 implemented in part (for instance, posting signs and approval of the policy) or in
7 total. Director Danz made a MOTION that the Board adopt the draft Water
8 Conservation Policy, with the provision that words encouraging residents to
9 conserve water at all times be added to the section describing unrestricted use.
10 Director Grant seconded the motion. Lowell Northrop asked about the cost of the
11 plan to date and the anticipated cost of its implementation; President Bass
12 replied that the issue was moot, as the plan is being funded by a grant. All
13 Directors being in favor, the motion was APPROVED.

14 **G. Review and discuss Placer County LAFCO draft Municipal Services Review**
15 **report:** Director Grant suggested that the bulk of the discussion about the report
16 take place at the July meeting. President Bass agreed but solicited any brief
17 comments at this meeting. Director Stefani said the report painted a picture of
18 doom for the District, essentially requiring the District to consolidate with Squaw
19 Valley (which would save Squaw Valley money). Director Northrop felt the report
20 was not based on valid data. President Bass thought the report was important
21 and needed to be taken seriously, but wondered about the validity of the analysis
22 used in the conclusions of the report. Virginia questioned the ability of LAFCO
23 (or other authority) to require the District to take action on the recommendations
24 in the report; President Bass replied that there was wording in the report that
25 there was federal legislation about to take effect that special districts (like
26 ASCWD) were going to be required to meet a particular financial standard, which
27 might, for instance, dictate having to consolidate with Squaw. Virginia pointed
28 out that the pages missing from the District's printed copy of the report are
29 available on the version posted on the District's web site.
30 (The Board moved at this point to the B&F Committee report before returning to
31 the Administrative Committee report.)

32 **H. 2004/05 Operating Budget:** discussed during the Budget & Finance Committee
33 Report.

34 **I. Committee/Department Reports**

35 i. **Administrative (Stefani):**

- 36 . **Review and Discuss Draft Policy 4.3.0, District Practices &**
37 **Conduct:** Director Grant made a MOTION that the Board adopt
38 Policy 4.3.0. Director Stefani seconded the motion. All Directors
39 being in favor, the motion was APPROVED.
- 40 . **Review and discuss draft Policy 4.16.0, Attendance at Committee**
41 **Meetings:** Director Grant made a MOTION that the Board adopt
42 Policy 4.16.0. Director Danz seconded the motion. All Directors
43 being in favor, the motion was APPROVED.
- 44 . **Next Meeting:** The next meeting has not yet been scheduled.

45 v. **Budget & Finance Committee (Danz):**

- 46 a. **May 2004 Financial Reports:** Based on the forecasted revenues and
47 expenses for the remainder of the current fiscal year, at the end of the
48 current fiscal year it appears that ~\$70K will be set aside for
49 recapitalization and \$440K cash reserves will be available for
50 operations and capital outlay.

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- b. **Proposed budget for FY 2004-2005:** After at least four thorough reviews of the budget, the Committee is comfortable with all accounts in the budget with the exception of employee benefits and bank charges, which need further research. The Committee will not ask for approval of the budget until research into these accounts has been performed. The Committee has not yet, however, taken into account the potential impact of the expected decline in property tax revenue. Reports filed by the District auditor with the State Controller's Office as well as a variety of possible tax shifts will determine the adjustments needed to be carried out in the budget. Early during the next fiscal year, the Committee will work on contingency plans to prepare for any significant decrease in property tax revenues.
 - c. **Special Projects:** The Committee reviewed all special projects, recapitalization expenditures and capital purchases proposed by the various Committees for the next fiscal year. The Committee has made a combined list of recommended projects and is going to attempt to fund all requests, in at least a partial fashion.
 - d. **Investment Policy:** A copy of the Policy was included in the Board packet. Director Danz requested that the Directors review it for consideration at a subsequent meeting. It has been reviewed by legal counsel and the Committee recommends its adoption. The Committee has not yet been able to find a non-Board volunteer to serve as Treasurer for the District for the next fiscal year, so is now looking for a Board member to volunteer for the position. The Treasurer reviews investments and recommends changes to investments, reporting to the Board at the regular monthly meetings.
 - e. **Fraud Assessment Plan:** The Committee reviewed the revised Anti-Fraud Policy and recommends its adoption by the Board. The Policy will be forwarded to the District's auditor for review.
 - f. **Capital Items Policy:** The Committee reviewed a draft Capital Items Policy (distinguishes between capital items and operating expense items) and recommends its adoption by the Board. The Committee also recommends that the Board adopt the new Refunds Policy and the new Reimbursement of Expenses Policy (included in the packet) at an upcoming meeting.
 - g. **Unbudgeted Expenses:** Director Danz made a MOTION that the Board approve \$754.59 as an unbudgeted expense to USA BlueBook for dechlorination boxes. All Directors being in favor, the motion was APPROVED.
 - h. **Next meeting:** The Committee has scheduled its next meeting for Tuesday, June 22 at 9:00 a.m.
 - i. **Special Meeting of the Board:** The Board agreed to hold its special meeting on Wednesday, June 23, at 8:30 a.m.
 - vi. **Fire Committee (Stefani):**
 - . **Annexation Study:** The Committee reviewed a draft report prepared by Chief Whitelaw regarding the potential annexation of the Alpine Meadows fire department by the North Tahoe Fire Protection District. This cost will include the shift of the property tax revenue currently spent on the Alpine Meadows fire department to NTFPD in addition to a tax of approximately \$86 per household per year. The Committee

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members have until June 18 to respond to the Chief with revisions to the draft report.

- . **Fire Safe Community Grant Program/Fire Plan:** Chief Whitelaw reported that the District will receive a \$10K grant for a preliminary report, which will identify threats and hazards and assign priorities to their mitigation. Once the report is completed, the District can then apply for more grant funds for implementation of suggested mitigation projects. There will be multiple opportunities for public input.
- . **Hazard Mitigation Planning:** Chief Whitelaw and Manager Shaw have been attending the meetings and participating in the data collection efforts that are required as part of this FEMA-mandated planning process. If local agencies do not have a plan in place, they may be ineligible for FEMA funds. The plan will identify potential catastrophic events (e.g., fire, earthquake and avalanche) and include risk assessments.

. **Next meeting:** Scheduled for Wednesday, July 7, at 4:30 p.m.

xi. **Greenbelt Committee (Stefani):** Had no meeting.

xii. **Long Range Planning Committee (Grant):**

- . **Draft Policy 8.2.0, Watershed Management:** Director Grant made a MOTION that the Board adopt Policy 8.2.0. Director Stefani seconded the motion. All Directors being in favor, the motion was APPROVED. Director Grant requested that the attached map be modified to correctly depict a particular greenbelt area.

. **Next meeting:** Scheduled for Wednesday, July 21, at 4:30 p.m.

xv. **Park Committee (Bass):** Had no meeting.

xvi. **Personnel Committee (Grant):** Had no meeting.

xvii. **Manager's Report:**

- a. **June Newsletter:** The newsletter is going out in the next two weeks.
- b. **Staff:** There is a new employee named Mike Crean, assisting Buzz and Lew in their summer work schedule.
- c. **TTSA:** The TTSA Board met June 9, 2004. Topics included land use, the General Manager's contract renewal and fee increases.
- d. **Offsite Computer Backups:** A Virtual Private Network (VPN) is being established between the District and the main office of John Shaw Consulting, LLC, so that the District can back up its computers (with the exception of the SCADA computer) to an off-site location.

xviii. **Fire Department Report (Chief Whitelaw):** Chief Whitelaw had nothing to report other than material already covered in the Fire Committee Report and in the alarm report. At Director Grant's request, Chief Whitelaw discussed briefly his potential affiliation with R3C as the facility's proposed Executive Director. President Bass explained the priorities assigned by the Budget & Finance Committee to Fire Committee items to be purchased (defibrillators, for instance, were assigned a higher priority than turn-outs). Chief Whitelaw said he expected an ambulance to be available for Alpine Meadows on July 1.

xix. **O&M Department Report:** The report was attached. There was no discussion.

xx. **Capital Committee (Grant):** The Committee presented a prioritized listing of the proposed capital projects for next fiscal year.

G. CORRESPONDENCE TO THE BOARD: None.

1 4. **CLOSED SESSION:** The following topics, scheduled to be dealt with in closed session
2 during this meeting, were re-scheduled to be discussed during the July meeting.

3 A. **Personnel performance evaluation of General Manager**

4 B. **Conference regarding anticipated litigation:** Significant exposure to litigation
5 pursuant to subdivision (b) of Section 54956.9, Case 1.

6 5. **DIRECTORS COMMENTS**

- 7 • Director Grant requested that the rest of the General Manager evaluations be
8 submitted (three have been submitted, three are still due).
- 9 • Director Stefani asked why the current chlorination phase has gone on so long.
10 Manager Shaw attributed the current extended chlorination to the relationship
11 between the District and the new person who oversees the District. He is stricter
12 than previous personnel in his position; previous personnel tended to give the District
13 more latitude in dealing with chlorination situations. Past situations were often
14 carried out with verbal authorizations and with little or no documentation. The
15 current supervisor is requiring strict documentation and rigid adherence to policy and
16 complete testing protocols. President Bass requested that the Administrative
17 Committee take up the issue, interview staff, determine what should be done policy-
18 wise (i.e., action the Board can take) and what can be done by the staff.
- 19 • Special Board meeting: Wednesday, June 23, at 8:30 a.m.
- 20 • Next regular Board meeting: Friday, July 9 at 8:30 a.m.
- 21 • Flower walk: July 3, 10:00 a.m. at the Alpine Meadows ski area parking lot.

22 6. **ADJOURNMENT**

23 There being no further business before the Board, the meeting was adjourned at 12:38
24 p.m.

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28 Respectfully Submitted,

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32 Jancis Martin
33 Recording Secretary
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