



SOUTH TAHOE PUBLIC UTILITY DISTRICT

David Peterson, President
Nick Haven, Director

BOARD MEMBERS
Shane Romsos, Vice President

Kelly Sheehan, Director
Nick Exline, Director

John Thiel, General Manager

Paul Hughes, Chief Financial Officer

REGULAR MEETING OF THE BOARD OF DIRECTORS SOUTH TAHOE PUBLIC UTILITY DISTRICT May 18, 2023 MINUTES

The South Tahoe Public Utility District Board of Directors met in a regular session, 2:02 p.m., at the District Office, located at 1275 Meadow Crest Drive, South Lake Tahoe, California.

ROLL CALL: Board of Directors: President Peterson, Directors, Romsos, Sheehan, Exline

Absent: Nick Haven

Staff: John Thiel, Gary Kvistad, Paul Hughes, Melonie Guttry, Julie Ryan, Chris Stanley, Trevor Coolidge, Shelly Thomsen, IV Jones, Bren Borley, Chris Skelly, Shannon Chandler, Rachel Kallas, Cuz Cullen, Julie Ryan, Stephen Caswell, Liz Kauffman, Jason Glaze, Star Glaze, Megan Colvey, Brent Goligoski, Jamie Taylor, Heidi Baugh, Elsa Erling, Cole Baginiski,

Guests: Elisa Garvey, Carollo Engineers; Jesse Garner; Duane Wallace, CEO of the Chamber of Commerce; Joe Cardinale; Members of the Community

1. PLEDGE OF ALLEGIANCE

2. **COMMENTS FROM THE AUDIENCE:** Jesse Garner, Firewise Neighborhood, addressed the Board regarding Fire Wise and will be back in June to announce the annual theme for the National Fire Prevention Association.

3. **CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR:** None

4. **ADOPTION OF CONSENT CALENDAR:**

Moved Romsos/Second Peterson/Peterson Yes/Haven Absent/Romsos Yes/Sheehan Yes/Exline Yes to approve the Consent Calendar as presented.

a. **2022 SEWER LINE SPOT REPAIRS & LATERAL ABANDONMENT SERVICES**

(Richard Jones, Underground Sewer Repair Supervisor and Heidi Baugh, Purchasing Agent)

1) Approved Change Order No. 1 to final quantities completed as a credit to the District in the amount of \$38,750; and 2) Authorized General Manager to approve (a) Notice of Completion for recordation with the El Dorado County Clerk, and (b) Closeout Agreement and Release of Claims for Robotic Sewer Solutions Inc. for the 2022 Sewer Line Spot Repairs & Lateral Abandonment Services Contract.

b. RECEIVE AND FILE PAYMENT OF CLAIMS

(Greg Dupree, Accounting Manager)

Received and filed Payment of Claims in the amount of \$1,268,501.08.

c. REGULAR BOARD MEETING MINUTES: May 4, 2023

(Melonie Guttry, Executive Services Manager/Clerk of the Board)

Approved May 4, 2023, Minutes.

5. CONSENT ITEMS BROUGHT FORWARD FOR SEPARATE DISCUSSION/ACTION: None**6. ITEMS FOR BOARD ACTION:**

- a. Fiscal Year 2023/24 Water and Sewer Service Charge Rates (Ryan Lee, Customer Service Manager) – **Paul Hughes** provided details regarding the Fiscal Year 2023/24 Water and Sewer Service Charge Rates. The District held two public meetings earlier this year to review the 2023/24 budget and rate increases relating to the substantial infrastructure needs. The typical impact to typical residential customers is approximately \$10.75 per month. After keeping rates flat for two consecutive years due to COVID-19, the maximum allowable increases for 2024 are 18% for the water service rates and 12.5% for sewer service rates. However, to lessen impact on customers, the Board would like to move forward with a 9.5% increase for each and to utilize the \$2 million rate stabilization fund. The District currently has 18 open grants which are funding approximately \$42 million in projects. **Shelly Thomsen** provided details regarding customer feedback data. **Melonie Guttry** read three letters from customers. **Patricia Arnet** addressed the Board regarding the rate increases. **Duane Wallace** addressed the Board regarding increases. **Joe Cardinale** addressed the Board regarding rate increases. **President Peterson** addressed the audience regarding rate increases and how these increases impact the community residents. **Directors Exline, Sheehan** and **Romsos** also commented regarding the community impact of the proposed rate increases and that these increases impact all of the Board and staff who are working to minimize these increases through cost-cutting and grant applications.

Moved Sheehan/Second Exline/Peterson Yes/Haven Absent/Romsos Yes/Sheehan Yes/Exline Yes to (1) Authorize the use of Sewer Rate Stabilization Funds in the amount of \$2 million in Fiscal Year 2023/24, and (2) Approve Resolution No. 3244-23 confirming the water and sewer service rate increases of 9.5% and 9.5% for Fiscal Year 2023/24.

- b. Fiscal Year 2023/24 Sewer Enterprise Fund Budget (Paul Hughes, Chief Financial Officer) – **Paul Hughes** provide details regarding the Fiscal Year 2023/24 Sewer Enterprise Fund Budget.

Moved Exline/Second Romsos/Peterson Yes/Haven Absent/Romsos Yes/Sheehan Yes/Exline Yes to Adopt Resolution No. 3245-23 for the Fiscal Year 2023/24 Sewer Enterprise Fund Budget, and authorize staff to incorporate any adjustments or changes necessary as a result of Board action on the sewer service rate increases.

- c. Fiscal Year 2023/24 Water Enterprise Fund Budget (Paul Hughes, Chief Financial Officer) – **Paul Hughes** provided details regarding the Fiscal Year 2023/24 Water Enterprise Fund Budget.

Moved Romsos/Second Sheehan/Peterson Yes/Haven Absent/Romsos Yes/Sheehan Yes/Exline Yes to adopt Resolution No. 3246-23 for the Fiscal Year 2023/24 Water Enterprise Fund Budget, and authorize staff to incorporate any adjustments or changes necessary as a result of Board action on the water service rate increases.

President Peterson invited the community to participate in the next year's budget and Proposition 218 process.

- d. Appointment of Interim Grants Coordinator (Paul Hughes, Chief Financial Officer) – **Paul Hughes** provided details regarding the appointment of Interim Grants Coordinator. **President Peterson** commented that this is a revenue generating position which has his support and **Director Exline** echoed his comments.

Moved Sheehan/Second Romsos/Peterson Yes/Haven Absent/Romsos Yes/Sheehan Yes/Exline Yes to appoint Lynn Nolan, a CalPERS retired annuitant, as the Interim Grants Coordinator from May 19, 2023, through the maximum end date of December 31, 2023.

- e. General Manager Sick Leave Accrual (Liz Kauffman, Human Resources Director and Paul Hughes, Chief Financial Officer) – **Liz Kauffman** provided details regarding General Manager Sick Leave Accrual and addressed questions from the Board. **Paul Hughes** provided further details regarding the additional payout.

Moved Exline/Second Romsos/Peterson Yes/Haven Absent/Romsos Yes/Sheehan Yes/Exline Yes to Approve an exception to the sick leave benefits as applicable to the General Manager and authorize payment to the General Manager for excess sick leave accrual in the amount of approximately \$40,788 upon separation of employment.

- f. Interim General Manager Appointment (Liz Kauffman, Human Resources Director) – **Liz Kauffman** provided details regarding the appointment of **Paul Hughes** as Interim General Manager upon the General Manager's last day of employment. **President Peterson** thanked **Paul Hughes** for accepting the appointment.

Moved Romsos/Second Exline/Peterson Yes/Haven Absent/Romsos Yes/Sheehan Yes/Exline Yes to appoint Paul Hughes, Chief Financial Officer, to the position of Interim General Manager effective June 3, 2023.

- g. Winter Storms Emergency Response (John Thiel, General Manager) – **John Thiel** provided details regarding the Winter Storms Emergency Response and reported that the Emergency Operations Center has been closed, but the work to restore services is continuing. He addressed questions from the Board. **Paul Hughes** added that there is no need to increase the budget for this work even though it is still continuing.

Moved Peterson/Second Romsos/Peterson Yes/Haven Absent/Romsos Yes/Sheehan Yes/Exline Yes 1) Pursuant to Public Contract Code Section 22050(c), continue the emergency action to respond to the Winter Storms Emergency pursuant to Resolution No. 3242-23.

7. STANDING AND AD-HOC COMMITTEES AND LIAISON REPORTS:

Director Romsos provided details regarding the Operations Committee Meeting on Monday, May 15, 2023. He also reported on the Ad-Hoc GM Recruitment Committee met to move the recruiting process forward. The Executive Committee met this afternoon regarding the General Counsel Request for Proposals. **President Peterson** reported the last EDWA meeting was held on May 17, 2023. The budget was presented and approved by the Board and is slated for adoption in one month at a public hearing. **John Thiel** and **President Peterson** provided details regarding funds budgeted specifically for STPUD. The Board appointed Interim General Manager, Rebecca Goh, beginning June 10, 2023.

8. BOARD MEMBER REPORTS:

Director Exline thanked **John Thiel** for his leadership at the District. **President Peterson** echoed his comments.

9. STAFF/ATTORNEY REPORTS:

Stephen Caswell provided a PowerPoint Presentation regarding the Recycled Water Strategic Plan Update and addressed questions from the Board.

10. GENERAL MANAGER REPORT:

John Thiel reported on several items:

- Provided a staffing update
- Provided a State of the South Shore 2023 update wherein staff presented on behalf of the District
- Provided a Lake Valley Fire, Black Bart Fire Station update
- Provided a Bently Composting update stating that all of the District's biosolids currently go to Bently for composting which is still up for sale for \$100 million currently. The District is anticipating a five-year contract renewal.
- Spoke on the fire hydrants that were funded by the City through ARPA funds

11. NOTICE OF PAST AND FUTURE MEETINGS/EVENTS

12. BREAK AND ADJOURN TO CLOSED SESSION: 4:13 p.m.

RECONVENE TO OPEN SESSION: 4:50 p.m.

- a. Pursuant to Section 54956.9(d)(1) of the California Government code, Closed Session may be held for conference with legal counsel regarding existing litigation: Yolo County Superior Court Case CV 2021-1686, Alpine County vs. South Tahoe Public Utility District; et al

No reportable Board Action

ADJOURNMENT: 5:00 p.m.



Melonie Gutfry, Executive Services Manager/
Clerk of the Board
South Tahoe Public Utility District



David Peterson, Board President
South Tahoe Public Utility District