



# SOUTH TAHOE PUBLIC UTILITY DISTRICT

David Peterson, Vice President  
Chris Cefalu, Director

BOARD MEMBERS  
Shane Romsos, Director

Kelly Sheehan, President  
Nick Exline, Director

John Thiel, General Manager

Paul Hughes, Chief Financial Officer

REGULAR MEETING OF THE BOARD OF DIRECTORS  
SOUTH TAHOE PUBLIC UTILITY DISTRICT  
October 7, 2021  
MINUTES

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

**ROLL CALL:**

**Board of Directors:** President Sheehan, Directors Cefalu, Romsos, Peterson, Exline

**Staff:** John Thiel, Paul Hughes, Gary Kvistad, Melonie Guttry, Bren Borley, Julie Ryan, Chris Stanley, Tim Bledsoe, Chris Skelly, Stephen Caswell, Susan Rasmussen, Erika Franco, Heidi Baugh, Greg DuPree, Debbie Henderson, Cliff Bartlett

**CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR:**

None

**CONSENT CALENDAR:**

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

a. **RECEIVE AND FILE THE JUNE 30, 2021, INCOME STATEMENT**

(Paul Hughes, Chief Financial Officer)

Received and filed the June 30, 2021, Income Statement and Balance Sheet Reports.

b. **RESOLUTION FOR BUREAU OF RECLAMATION WATERSMART DROUGHT RESPONSE PROGRAM:**

**DROUGHT RESILIENCY PROJECTS FOR FISCAL YEAR 2022 GRANT**

(Lynn Nolan, Grants Coordinator)

Adopted Resolution No. 3195-21 approving grant funding for the Water Loss Data System Implementation Project to the Bureau of Reclamation WaterSMART Drought Response Program: Drought Resiliency Projects for Fiscal Year 2022 Grant Program.

c. **REGULAR BOARD MEETING MINUTES: September 16, 2021**

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

Approved September 16, 2021, Minutes

**PRESENTATION**

**President Sheehan** presented the Finance Department with the Award of Government Finance Officers Certificate of Achievement in Excellence in Financial Reporting.

**ITEMS FOR BOARD ACTION**

- a. Purchase of Onsite Generators at Al Tahoe and Upper Truckee Pump Stations (Cliff Bartlett, Fleet and Equipment Supervisor and Heidi Baugh, Purchasing Agent) – **Cliff Bartlett** provided details regarding the proposed onsite generators at Al Tahoe and Upper Truckee Pump Stations and addressed questions from the Board. He further explained that these generators are 75% grant funded and **Julie Ryan** provided details regarding battery storage.

**Moved Sheehan/Second Peterson/Sheehan Yes/Cefalu Yes/Romsos Yes/Peterson Yes/Exline**

**Yes** to 1) Authorize Smith Power Products Inc. to be the sole source provider for the purchase of MTU Generators; 2) Authorize purchase of two MTU 350 kilowatt Generators from Smith Power Products, Inc. in the approximate amount of \$144,730 to replace existing generators at Al Tahoe Pump Station and Upper Truckee Pump Station.

- b. Recycled Water Strategic Plan (Stephen Caswell, Principal Engineer) – **Stephen Caswell** presented details regarding the Recycled Water Strategic Plan Phase 1 and addressed questions from the Board.

**Moved Romsos/Second Peterson/Sheehan Yes/Cefalu Yes/Romsos Yes/Peterson Yes/Exline Yes**

to approve proposal from Carollo Engineers, Inc. in the amount of \$389,971 for engineering services for the Recycled Water Strategic Plan Phase 1 and authorize the General Manager to execute Task Order No. 25 to the Master Services Agreement with Carollo Engineers, Inc.

- c. Diamond Valley Ranch Facilities Emergency Repairs Project (John Thiel, General Manager) – **John Thiel** provided an update regarding work completed and continuing at Diamond Valley Ranch Facilities for the Emergency Repairs Project.

**Moved Sheehan/Second Peterson/Sheehan Yes/Cefalu Yes/Romsos Yes/Peterson Yes/Exline**

**Yes** to continue the emergency action to repair the Diamond Valley Ranch Facilities per Resolution No. 3193-21.

- d. Caldor Fire Emergency Response (John Thiel, General Manager) – **John Thiel** provided details regarding the status of the Caldor Fire and the Emergency Response. **Director Exline** provided kudos to staff for all efforts throughout the entire emergency process from start to cleanup.

**Moved Sheehan/Second Peterson/Sheehan Yes/Cefalu Yes/Romsos Yes/Peterson Yes/Exline**

**Yes** to continue the emergency action to respond to the Caldor Fire per Resolution No. 3194-21.

- e. Mid-year Service Charge Rate Increase (John Thiel, General Manager and Paul Hughes, Chief Financial Officer) – **John Thiel** and **Paul Hughes** provided information regarding a potential current year, mid-year rate increase that would take place in January, as well as reviewed a brief history from budget meetings earlier in the year. **Paul Hughes** explained that due to unbudgeted expenditures over this past year, any rate increase in January will be needed to offset those expenditures, leaving no new money for projects. The Board discussed their considerations regarding a mid-year rate increase and that there is a lot of work to be done at the District and

the District needs to get back on track. The financial plan is probably underfunded now, due to inflation. The cost of the proposed rate increase is approximately \$17 per quarter, per customer for water and sewer combined. The District is well below 30% of the average for rates around the Lake. Connection fees are also being reviewed as a separate item and will be brought to the Board once the consultant has refined the study. By consensus, the Board directed staff to hold off until May on rate increases and not entertain a mid-year rate increase.

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

**Moved Sheehan/Second Peterson/Sheehan Yes/Cefalu Yes/Romsos Yes/Peterson Yes/Exline Yes** to approve Payment of Claims in the amount of \$3,258,133.64.

#### **STANDING AND AD-HOC COMMITTEES AND LIAISON REPORTS:**

Nothing to report

#### **BOARD MEMBER REPORTS:**

**Director Exline** commented that he recently experienced the burn areas over Echo Summit. **Director Romsos** reported that he drove the Caldor Fire burn areas recently also and wanted to recognize the District for its efforts in providing water throughout the fire. **Director Peterson** invited everyone to a workshop on Saturday, October 9, from 9 a.m. to noon at the Tahoe Keys Pavilion regarding aquatic weeds.

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

Nothing to report

#### **Staff Attorney Reports:**

**Attorney Kvistad** reported the California Governor's Emergency Executive Order allowing for virtual public meetings expired on September 30, 2021. As a result, Assembly Bill 361 passed September 10, and was signed into law September 26, set to expire on December 31, 2023, allowing some variation of virtual meetings to continue. Local agencies are allowed to continue conducting meetings virtually so long as the Governor has proclaimed a state of emergency and the Bill imposes new requirements for authorizing and holding such virtual meetings. One such requirement is that the Board would be required to determine that in person meetings were not in the best interest of health and safety and that decision would need to be put on the Agenda and voted on every 30 days. If the Board desires to continue virtual meetings, it can be done, but with a lot of additional requirements. **Chris Skelly** provided details regarding staff efforts in order to continue to allow virtual meeting access including staff time and costs associated. After discussion and by consensus, the Board will not be holding virtual meetings going forward but may want to continue to hold committee meetings virtually. **Attorney Kvistad** will follow up with information to determine if this option is allowable.

#### **GENERAL MANAGER REPORT:**

**John Thiel** reported on several items:

- Provided a staffing update and announced that Buck McClelland was the successful candidate for the Underground Repair Water Supervisor position - congratulations to him!
- Provided a COVID-19 update, one staff member out positive with no symptoms and another out as a precaution, as a family member has tested positive. The District is awaiting direction from the State regarding any vaccine mandates.

- Provided details regarding funding that is coming from the City of South Lake Tahoe for fire hydrants within the city limits. **Shelly Thomsen** has been working with the Fire Department regarding the adopt-a-hydrant program and will bring more information forward as it becomes available.
- Lake Tahoe Community College recently recognized the District for efforts throughout the Caldor Fire during their recent State of the College address.
- California Tahoe Alliance and the District will be hosting approximately 30 people on Tuesday, October 12 for a fire related presentation with a tour of the Caldor Fire burn areas. This is being done to emphasize the message that more funding is needed for wildfires.

**BREAK AND ADJOURN TO CLOSED SESSION:** 3:44 p.m.

**RECONVENE TO OPEN SESSION:** 4:01 p.m.

- a. Pursuant to Government Code Section 54956.9(d)(2) of the California Government code, Closed Session may be held for a conference with legal counsel (two cases).

**No reportable Board Action**

**ITEMS FOR BOARD ACTION – CONTINUED**

- a. Liability Claim Against the South Tahoe Public Utility District received from Jeff Lee (Tim Bledsoe, Manager of Customer Service) – **Tim Bledsoe** presented information regarding the liability claim against the District and addressed questions from the Board.

**Moved Cefalu/Second Sheehan/Sheehan Yes/Cefalu Yes/Romsos Yes/Peterson Yes/Exline Yes** to reject the claim against the South Tahoe Public Utility District for losses allegedly sustained by Jeff Lee and request the Joint Powers Insurance Authority to resolve the claim.

- b. Liability Claim Against the South Tahoe Public Utility District received from Gary Stuber (Tim Bledsoe, Manager of Customer Service) – **Tim Bledsoe** presented information regarding the liability claim against the District and addressed questions from the Board.

**Moved Cefalu/Second Sheehan/Sheehan Yes/Cefalu Yes/Romsos Yes/Peterson Yes/Exline Yes** to reject claim against the South Tahoe Public Utility District for losses allegedly sustained by Gary Stuber and request the Joint Powers Insurance Authority to resolve the claim.

**ADJOURNMENT:** 4:02 p.m.



Kelly Sheehan, Board President  
South Tahoe Public Utility District



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