



SOUTH TAHOE PUBLIC UTILITY DISTRICT

David Peterson, President
Nick Haven, Director

BOARD MEMBERS
Shane Romsos, Vice President

Kelly Sheehan, Director
Nick Exline, Director

Paul Hughes, General Manager

Andrea Salazar, Chief Financial Officer

REGULAR MEETING OF THE BOARD OF DIRECTORS SOUTH TAHOE PUBLIC UTILITY DISTRICT May 16, 2024 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 Peterson, Directors Haven, Romsos, Sheehan, Exline

Absent: None.

Staff: Paul Hughes, Andrea Salazar, Keith Collins, Melonie Guttry, Shannon Chandler, Julie Ryan, Trevor Coolidge, Sara Nelson, Aaron Buckman, Star Glaze, Rachel Kallas, Mark Seelos, Vincent Stagnaro, Kyle Ostberg, Taylor Jaime, Stephen Caswell, Greg Dupree, Brent Goligoski, Chris Skelly, Donielle Morse, Megal Colvey.

Guests: Angel Stephany, Theresa Canepa, Tim Jones.

1. **PLEDGE OF ALLEGIANCE:**

2. **COMMENTS FROM THE PUBLIC:** None

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

4. **ADOPTION OF CONSENT CALENDAR:**

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

a. **WINTER STORMS EMERGENCY RESPONSE**

(Paul Hughes, General Manager)

Pursuant to Public Contract Code Section 22050(c), continued the emergency action to respond to the Winter Storms Emergency pursuant to Resolution No. 3242-23.

b. **2024 TANKS COATING TOUCHUPS PROJECT – AMPP COATING INSPECTIONS**

(Megan Colvey, Senior Engineer)

1) Approved the proposed Scope of Work from Bay Area Coating Consultants to provide specialty AMPP-certified Coating Inspection services; and 2) Authorized the General Manager to execute Task Order No. 18 in the amount of \$48,363.00.

c. **2024 ASPHALT PATCHING AND TRENCH PAVING SERVICES CONTRACT**

(Mark Seelos, Water Resources Manager)

(1) Approved Change Order No. 1 to GB General Engineering Contractor, Inc., adding \$5,779.20 to the contract; and 2) Authorized the General Manager to execute Change Order No. 1.

d. **WASTEWATER TREATMENT PLANT SOLAR PROJECT**

(Julie Ryan, Engineering Department Manager)

(1) Executed Coverage Transfer Agreement with El Dorado County; and (2) Authorize staff and legal counsel to make minor modifications to the agreement if necessary.

e. **RESOLUTIONS TO SUBMIT APPLICATION FOR THE GLENWOOD-RANCHO, LAKE TAHOE BLVD, TAHOE MOUNTAIN WATERLINE UPGRADES PROJECT LOAN FROM THE STATE WATER RESOURCES CONTROL BOARD DRINKING WATER STATE REVOLVING LOAN FUND**

(Donielle Morse, Grant Coordinator)

Adopted Reimbursement Resolution No. 3277-24 and Authorizing Resolution No. 3278-24 to Apply for the Glenwood-Rancho, Lake Tahoe Blvd, Tahoe Mountain Waterline Upgrades Project Construction Loan from the State Water Resources Control Board Drinking Water State Revolving Loan Fund.

f. **MARCH 31, 2024 FISCAL YEAR TO DATE FINANCIAL STATEMENTS**

(Andrea Salazar, Chief Financial Officer)

Received and filed the March 31, 2024 Income Statement and Balance Sheet Reports.

g. **RECEIVE AND FILE PAYMENT OF CLAIMS** (Greg Dupree, Accounting Manager)

Received and filed Payment of Claims in the amount of \$5,098,438.50.

h. **REGULAR BOARD MEETING MINUTES: , 2024**

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

Approved May 16, 2024, Minutes

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

6. **PROPOSITION 218 PUBLIC HEARING TO RECEIVE PUBLIC COMMENTS AND PROTESTS REGARDING PROPOSED WATER AND SEWER RATE INCREASES: Sara Nelson and Julie Ryan presented**

President Peterson opened the Public Hearing at 2:03 p.m. **Sara Nelson** described the Proposition 218 rate setting process, including holding this public hearing, and introduced **Julie Ryan**, Engineering Department Manager. Addressing the proposed rate increases, **Julie Ryan** provided a comprehensive overview of the District's infrastructure needs, plans, costs, and goals. Public comment was received:

Theresa Canepa opposes the water and sewer rate increases. She is a homeowner and has concerns for how this may affect her tenants. **Paul Hughes** provided a brief explanation of the Customer Assistance Program.

Angel Stephany expressed concern for a future budget shortfall in funding the CIP projects. **Paul Hughes** responded there is no anticipated shortfall based on the proposed CIP plan.

Sara Nelson solicited any additional protests per Proposition 218, to which there were none.

President Peterson closed the Public Hearing at 2:33 p.m. **Sara Nelson** reported the District received 261 water rate protests, which equals 1.8%, and 295 sewer rate protests, which equals 1.6% of total connections. Further discussion ensued regarding the state of inflation, costs of

materials, customer assistance program and what other rate increase relief the district may be able to offer.

7. ITEMS FOR BOARD ACTION:

- a. Water and Sewer Rate Ordinance (Andrea Salazar, Chief Financial Officer) - **Andrea Salazar** presented the proposed Ordinance and Board discussion ensued. **President Peterson** explained the difficulties of an aging water and sewer system – this system is 50 years old and these problems exist. STPUD is a non-profit utility which has no stockholders other than the community members that it serves. It is frustrating that costs are going up everywhere – materials, labor, utilities, groceries, etc. and that same inflation is hitting STPUD. Board members further commented if these infrastructure problems are not solved now, they will be more problematic in the future. This reality is challenging and was not taken lightly. The Board expressed appreciation for staff in managing the Prop 218 process well.

Moved Sheehan/Second Exline/Peterson Yes/Haven Yes/Romsos Yes/Sheehan Yes/Exline Yes to enact Ordinance No. 589-24, an amendment to the South Tahoe Public Utility District's Ordinance No. 464 and superseding Water and Sewer rate Ordinance No. 573-19 in its entirety.

- b. Fiscal Year 2024/25 Water Enterprise Fund Budget (Andrea Salazar, Chief Financial Officer) **Andrea Salazar** reported on the Water Enterprise Fund Budget. There were no questions from the Board.

Moved Sheehan/Second Exline/Peterson Yes/Haven Yes/Romsos Yes/Sheehan Yes/Exline Yes to adopt Resolution 3275-24 for the Fiscal Year 2024/25 Water Enterprise Fund Budget and authorize staff to incorporate any adjustments or changes necessary as a result of Board action.

- c. Fiscal Year 2024/25 Sewer Enterprise Fund Budget (Andrea Salazar, Chief Financial Officer) **Andrea Salazar** reported on the Sewer Enterprise Fund Budget. There were no questions from the Board.

Moved Exline/Second Sheehan/Peterson Yes/Haven Yes/Romsos Yes/Sheehan Yes/Exline Yes to adopt Resolution 3276-24 for the Fiscal Year 2024/25 Sewer Enterprise Fund Budget and authorize staff to incorporate any adjustments or changes necessary as a result of Board action.

- d. Biosolids Hauling Contract (Aaron Buckman, Manager of Plant Operations) - **Aaron Buckman** shared background information and highlights from the proposed contract with Tahoe Basin Container Service, Inc., and addressed questions from the Board. **Director Romsos** requested to discuss ways to reduce biosolids as a topic at the next Operations Committee meeting.

Moved Sheehan/Second Romsos/Peterson Yes/Haven Yes/Romsos Yes/Sheehan Yes/Exline Yes to 1) Authorize exception to formal competitive solicitation procedures due to special circumstances, as allowed for in the Purchasing Policy; and 2) Authorize District staff to execute a five-year contract with Tahoe Basin Container Service, Inc. in the estimated annual amount of \$243,000.

- e. Stanford Camp Electrical and Generator Building Emergency Replacement Project – Rebid (Trevor Coolidge, Senior Engineer) **Trevor Coolidge** reported on the status of the Rebid stating that

White Rock Construction was the lowest responsive responsible bidder. **Director Romsos** stated he appreciates the savings to the ratepayers and was glad that White Rock rebid. He thanked staff for the extra effort.

Moved Haven/Second Romsos/Peterson Yes/Haven Yes/Romsos Yes/Sheehan Yes/Exline Yes to 1) Waive minor deviations in White Rock Construction's bid, and 2) Award the Stanford Camp Electrical and Generator Building Emergency Replacement Project – Rebid in the amount of \$559,600 to White Rock Construction.

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

Director Exline reported the Sustainability Committee meeting was canceled but he appreciated that the District was well-represented at the TRPA Governing Board meeting for solar approval. He commended the good work and collaboration with TRPA and the County.

Director Romsos reported the Operations Committee was canceled this month but will be held in June. He thanked staff for the good work on the solar project and looks forward to breaking ground.

9. BOARD MEMBER REPORTS:

President Peterson attended the Congressional Western Caucus at Edgewood. He also attended the El Dorado Water Agency Annual Plenary; EDWA Board meeting by Zoom; as well as the ACWA conference in Sacramento. Among many topics was a legal item around changes to the conflict of interest rules for campaign contributions that the District should look into.

Director Romsos will attend the CASA conference in Monterey 7/31 – 8/2/24.

10. STAFF/ATTORNEY REPORTS:

Shelly Thompsen provided an update on outreach and education efforts by the conservation department including details on the gardening series and press releases regarding watering days, conservation rebates and drip irrigation. In partnership with STEEC, STPUD is providing environmental education in the schools through elementary field trips, presentations at the career fair, shop class at the High School, and the CTE class toured the plant. STPUD will have a booth at the Wildfire Expo, farmers markets, and many other upcoming events, including a float in the 4th of July parade.

11. GENERAL MANAGER REPORT:

No report.

12. NOTICE OF PAST AND FUTURE MEETINGS/EVENTS

13. BREAK AND ADJOURN TO CLOSED SESSION: 3:12 p.m.

RECONVENE TO OPEN SESSION: 3:50 p.m.

No reportable Board Action.

ADJOURNMENT: 3:51 p.m.



David Peterson, Board President
South Tahoe Public Utility District

Shannon Chandler, Administrative Analyst/
Assistant Clerk of the Board
South Tahoe Public Utility District