



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 March 4, 2021 MINUTES

The South Tahoe Public Utility District Board of Directors met in a regular session, 2:04 p.m., via GotoWebinar in accordance with Executive Order N-29-20.

ROLL CALL:

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

Staff: John Thiel, Paul Hughes, Gary Kvistad, Melonie Guttry, Stephen Caswell, Brian Bartlett, Adrian Combes, Bren Borley, Brent Goligoski, Chris Skelly, Chris Stanley, Cliff Bartlett, Doug VanGorden, Heidi Baugh, IV Jones, Jessica Henderson, Julie Ryan, Liz Kauffman, Marla Sharp, Ryan Lee, Shelly Thomsen, Star Glaze, Tim Bledsoe, Trevor Coolidge

Guests: Rick Lind

CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR:

Director Peterson requested pulling Items 4a - Check Signing Authority and 4b - Financial Transaction Authorization, to Action Items 6a and 6b for discussion.

President Sheehan announced proposed Closed Session Items 13d and 13e - Conference with Legal Counsel - Existing Litigation. This requires a 4/5's vote of the Board to be added to the Agenda. This Item was brought to the Board's attention after the Agenda posted and is time sensitive.

Moved Sheehan/Second Cefalu/Sheehan Yes/Cefalu Yes/Romsos Yes/Peterson Yes/Exline Yes to approve the addition of Closed Session Items 13d and 13e - Conference with Legal Counsel - Existing Litigation.

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

a. **KELLER-HEAVENLY WATER SYSTEM IMPROVEMENTS PROJECT, PHASE 2**

(Trevor Coolidge, Senior Engineer)

Authorized staff to advertise for construction bids for Phase 2 of the Keller-Heavenly Water System Improvements Project.

- b. **DECEMBER 31, 2020 FISCAL YEAR TO DATE FINANCIAL STATEMENTS**
(Paul Hughes, Chief Financial Officer)
Received and filed the December 31, 2020, Income Statement and Balance Sheet Reports.
- c. **REGULAR BOARD MEETING MINUTES: February 18, 2021**
(Melonie Guttry, Executive Services Manager/Clerk of the Board)
Approved February 18, 2021, Minutes.

ITEMS FOR BOARD ACTION

- a. Check Signing Authority (Debbie Henderson, Accounting Manager) - **Director Peterson** stated that the financial auditors typically comment on the checks and balances of financial management for the District and inquired as to if either Item, Check Signing Authority and Financial Transaction Authorization, have been commented on by the auditors? **Paul Hughes** stated that the auditors meet with staff every year to understand the processes in place and if they find any deficiencies they make recommendations, but to date they have been very pleased with the controls in place. The Resolutions being proposed today are replacing signers who have left the District and/or have retired.
- Moved Peterson/Second Cefalu/Sheehan Yes/Cefalu Yes/Romsos Yes/Peterson Yes/Exline Yes** to adopt Resolution No. 3164-21 to designate authorized signatories of all District bank accounts, superseding Resolution 2840-07.
- b. Financial Transaction Authorization (Debbie Henderson, Accounting Manager)
- Moved Peterson/Second Cefalu/Sheehan Yes/Cefalu Yes/Romsos Yes/Peterson Yes/Exline Yes** to adopt Resolution No. 3165-21 authorizing certain staff to conduct financial transactions, superseding Resolution No. 2928-13.
- c. Sewer Line Spot Repair and Lateral Abandonment Services (Doug Van Gorden, Underground Sewer Repair Supervisor) – **Doug VanGorden** provided details regarding the Sewer Line Spot Repair and Lateral Abandonment Services.
- Moved Cefalu/Second Sheehan/Sheehan Yes/Cefalu Yes/Romsos Yes/Peterson Yes/Exline Yes** to 1) Award bid to Robotic Sewer Solutions, Inc., the lowest responsive, responsible bidder, in the amount of \$145,750; and, 2) Authorize staff to allow for changes (size estimates or repair site additions) in the Contract not to exceed an additional 10% of the Contract price.
- d. Approve Payment of Claims (Debbie Henderson, Accounting Manager)
- Moved Sheehan/Second Cefalu/Sheehan Yes/Cefalu Yes/Romsos Yes/Peterson Yes/Exline Yes** to approve Payment of Claims in the amount of \$1,319,882.15.

STANDING AND AD-HOC COMMITTEES AND LIAISON REPORTS:

President Sheehan reported she and **Director Cefalu** attended a Finance Committee Meeting March 3, and have come to the conclusion that given the COVID-10 situation, they recommend zero rate increases for this budget year. **Paul Hughes** reported that staff proposed a budget including a 6% water and 5% sewer increase during the meeting, as approved by the Proposition 218 process. Staff provided details regarding the long and short term effects of the zero rate increase the first year, and

are now revising the budget for a potential zero increase for year two. All of this information will be provided in more detail at a Public Budget Workshop to be scheduled on April 6 or 7. **Director Romsos** agreed that a zero rate increase seems appropriate given the situation and **Director Exline** also agreed. **Director Peterson** stated as long as the COVID-19 relief program is intact, there should be zero rate increases. **Paul Hughes** suggested that if things turn around, staff would like the option to revisit the rates midyear, but **Director Cefalu** stated he is not in favor of this option. **John Thiel** provided some data points for consideration.

Director Romsos reported the Sustainability Committee met on March 1, and discussed metrics for tracking baseline efficiencies and other long-term metrics. The committee is reviewing fleet analysis, while being reasonable and sensible about investments in electric vehicles. The committee also received a water conservation legislation update. **John Thiel** added that the City has received a two-week extension for the Department of Energy Connected Communities grant application submission and the District has provided some language suggestions to be more inclusive of potential future District efficiency projects.

Director Romsos participated in the Alpine Biomass meeting March 2, which included a presentation regarding Aspen Management, which may provide a good partner opportunity for the District.

Director Peterson reported he attended the Association of California Water Agencies virtual Washington, DC, Conference February 24 and there is nothing substantive to report.

BOARD MEMBER REPORTS:

Nothing to report

EL DORADO WATER AGENCY PURVEYOR REPORT:

The next regular meeting is March 10, 2021.

GENERAL MANAGER REPORT:

John Thiel reported on several items:

- Provided a staffing update as well as details regarding a proposed change to the seasonal hiring process, which will be discussed further during the public budget workshop in April.
- Provided a COVID-19 update announcing that El Dorado County moved to the Red Tier on March 3. The District is considering moving from Risk Level 3 to Risk Level 2.5, bringing field crews back to regular 10-hour shifts, re-opening the Customer Service Office, and possibly returning to Regular Board Meetings in April.
- The District is a member of the Tahoe Chamber, and **John Thiel** will be the guest speaker for the CEO Roundtable on Friday, March 5.

STAFF/ATTORNEY REPORTS:

Stephen Caswell provided the 2019 Water Audit Results via PowerPoint presentation; a statutory requirement passed in 2015 via Senate Bill 555, and addressed questions from the Board.

ADJOURN TO CLOSED SESSION: 2:57 p.m.

RECONVENE TO OPEN SESSION: 4:10 p.m.

- a. Pursuant to Government Code Section 54957, consultation with South Tahoe Public Utility District Information Technology Manager, Chris Skelly

No reportable Board action

- b. Pursuant to Government Code Section 54957(a)/Conference with Labor Negotiators: Memorandum of Understanding with Stationary Engineers, Local 39. Present at this Closed Session will be Agency Negotiators: John Thiel, General Manager; Paul Hughes, Chief Financial Officer; and Liz Kauffman, Human Resources Director

No reportable Board action

- c. Pursuant to Government Code Section 54957(a)/Conference with Labor Negotiators: Memorandum of Understanding with Management Group. Present at this Closed Session will be Agency Negotiators: John Thiel, General Manager; Paul Hughes, Chief Financial Officer; and Liz Kauffman, Human Resources Director

No reportable Board action

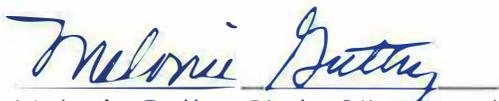
- d. Pursuant to Section 54956.9(a) of the California Government Code, Closed Session may be held for conference with legal counsel regarding existing litigation: False Claims Act Case: United States, the States of California, Delaware, Florida, Nevada, and Tennessee and the Commonwealths of Massachusetts 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.

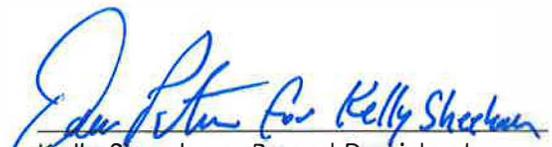
No reportable Board action

- e. 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

ADJOURNMENT: 4:11 p.m.


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


Kelly Sheehan, Board President
South Tahoe Public Utility District