



TAHOE-TRUCKEE SANITATION AGENCY

A Public Agency
13720 Butterfield Drive
TRUCKEE, CALIFORNIA 96161
(530) 587-2525 • FAX (530) 587-5840

Directors

Dan Wilkins: President
Blake Tresan: Vice President
Dale Cox
David Smelser
Scott Wilson
General Manager
Richard Pallante

BOARD OF DIRECTORS REGULAR MEETING MINUTES

February 15, 2023

I. Call to Order:

President Wilkins called the regular meeting of the Tahoe-Truckee Sanitation Agency Board of Directors to order at 9:00 a.m. Roll call and Pledge of Allegiance followed.

Directors Present: Dan Wilkins, TCPUD
Blake Tresan, TSD
Dale Cox, OVPSD
David Smelser, ASCWD
Scott Wilson, NTPUD

Staff Present: Richard Pallante, General Manager
Vicky Lufrano, Human Resources Administrator
Michael Peak, Operations Manager
Jay Parker, Engineering Manager
Tanner McGinnis, Maintenance Department
Crystal Sublet, Finance & Administrative Manager
Andrew Ramos, Agency Counsel
Celeste Graves, Administrative Department
Paul Shouse, Maintenance Department

Public: Shawn Koorn, HDR Engineering, Inc.

II. Public Comment

No public comment.

III. Consent Agenda

1. Ratify approval of payment of general fund warrants

MOTION by Director Smelser **SECOND** by Director Wilson to approve consent agenda item 1, to Ratify approval of general fund warrants; unanimously approved.

The Board approved the motion by the following roll call vote:

AYES:	Directors Tresan, Cox, Smelser, Wilson and President Wilkins.
NOES:	None
ABSENT:	None
ABSTAIN:	None

Motion passed.

IV. Regular Agenda

1. Report from January 18, 2023 closed session meeting.

There was no reportable action from the closed session.

2. Approval of the minutes of the regular Board meeting on January 18, 2023

MOTION by Director Tresan **SECOND** by Director Smelser to approve the minutes of the regular Board meeting on January 18, 2023 with the following change: Item 8, Investment, Change requested by Director Tresan, Correct to state that motion was to invest “up to” the amount stated; unanimously approved.

The Board approved the motion by the following roll call vote:

AYES:	Directors Tresan, Cox, Smelser, Wilson and President Wilkins.
NOES:	None
ABSENT:	None
ABSTAIN:	None

Motion passed.

3. Discussion and approval of the updated Maintenance Manager job description

General Manager, Richard Pallante, stated that this was brought to the Board last month for approval, but when getting ready to post recruitment, it was noticed that SCADA and IT information was missing. No public comment.

MOTION by Director Tresan **SECOND** by Director Wilson to approve the updated Maintenance Manager job description; unanimously approved.

The Board approved the motion by the following roll call vote:

AYES:	Directors Tresan, Cox, Smelser, Wilson and President Wilkins.
NOES:	None
ABSENT:	None
ABSTAIN:	None

Motion passed.

4. Discussion and approval of the Vehicle Usage Policy

General Manager, Richard Pallante, stated that this matter is being brought forth in order to meet IRS code as well as get a policy in place to align with the Employee Handbook.

Director Smelser inquired about tracking of mileage. General Manager Pallante stated that staff keep their own mileage.

President Wilkins inquired whether this policy applies to all staff or just three department managers and one Chief Plant Operator, with General Manager Pallante confirming it applies to all staff. President Wilkins additionally mentioned that Agency take home vehicles for standby purposes, with department manager approval, should be minimized to occasions when the likelihood exists for staff to report to a location other than the TTSA facility.

MOTION by Director Smelser **SECOND** by Director Wilson to approve the Vehicle Usage Policy; unanimously approved.

The Board approved the motion by the following roll call vote:

AYES:	Directors Tresan, Cox, Smelser, Wilson and President Wilkins.
NOES:	None
ABSENT:	None
ABSTAIN:	None

Motion passed.

5. Ratify approval of financial statements

Presentation by Crystal Sublet. She stated that last month's financial statements had to be tabled and she has since determined that cash in total is correct, but the cash amount in each fund balance is incorrect. She stated that the Caselle transition did not get handled correctly. She will be making an adjusting entry in FY 22. She remains unsure of the total dollar amount but will follow up with auditors. She estimates \$7 million will need to be moved from Fund 2 to Fund 10 and \$3 million moved from Fund 6 to Fund 10. She will have a better understanding of these changes by the next Board meeting. The changes do not affect the rate study, as the balances were provided prior to these funds being moved. She requested that the Board approve the financial statement knowing these will be updated when final numbers are known.

MOTION by Director Tresan **SECOND** by Director Smelser to approve the financial statements; unanimously approved.

The Board approved the motion by the following roll call vote:

AYES:	Directors Tresan, Cox, Smelser, Wilson and President Wilkins.
NOES:	None
ABSENT:	None
ABSTAIN:	None

Motion passed.

6. Presentation and discussion of the Sewer Rate Study by HDR Engineering

Shawn Koorn of HDR Engineering provided a PowerPoint presentation of the Sewer Rate Study to the Board of Directors, in which he added an additional scenario for consideration. He was seeking general direction to finalize Proposition 218 information so that new rates may be adopted. Shawn stated that reserve amounts were provided prior to the identified issue within the financial statements. His presentation focused mainly on Funds 2, 6 and 10. Fund 2 is connection fee funded, while Funds 6 and 10 are renewal and replacement funds, and generally funded through available reserves, total revenue, and annual service charge revenues. Funds 6 and 10 need to have sufficient funds, which requires development of an adequate rate plan to be able to fund upcoming projects.

Shawn presented a Revenue Requirement slide. Rates need to be adjusted, move toward reserve policies, and adequately reinvest in system. The last increase in rates was in 2012.

Shawn presented a new scenario for the Board to consider, which increased rates by 30% in the first year, then less increase for the subsequent four years. Shawn shared examples of how the rate increase may affect certain ratepayers.

The point of the presentation was to get Board feedback so that more information could be brought forth next month. Capital reserves need to be bolstered as soon as possible. The plant is 50 years old and needs to address known repairs, according to the Carollo report.

Board discussion took place related to pros and cons of different scenarios and how each could increase reserves quickly while keeping in mind the impact to customers. Several years of dormant rates have brought the Board to this process.

The general direction from the Board consisted of using Scenario 2, with some possible slight modifications.

7. Discussion of Proposition 218 draft notice to property owners

Crystal Sublet was prepared to read the draft notice aloud, but President Wilkins indicated that was unnecessary and confirmed with Sublet that this notice would be finalized by the March Board meeting. President Wilkins suggested the Board review and comment to General Manager Pallante so that the input could be utilized to bring forth a final version at the March meeting.

Director Tresan questioned the table on the second page. General Manager Pallante, along with Crystal Sublet, confirmed that the numbers in the table were incorrect and that they will be corrected by March.

Discussion took place related to providing two tables within the notice, whether most people would know which table applies to them, whether to send out two different notices, and whether to move to a single rate for all customers. The suggestion was to stay away from percentage increases, and instead share the new rate for all customers.

Pallante and Sublet will determine how to structure the notice and Pallante will confirm with the Board. Consider two rate tables, include map or help customers figure out which table applies to them.

Director Tresan suggested taking the opportunity in the mailer, to educate people about TTSA's mission, location, who we are, what we do, etc.

8. Review and discussion of Agency owned property for current and future use

Jay Parker made detailed presentation of TTSA's land history, as well as past, present and future usages of the land. He indicated that the Agency originally owned 937 acres of land in the Martis Valley. Small differences in acreage may exist due to land historically sold to CalTrans under a nearby bridge. Parker spoke about mineral leases, previous mining activity, and current reclamation.

General Manager Pallante requested for the Board to embark on a conversation about possible future land use for potential leases.

Director Cox commented that TTSA's land was originally secured from the State of California as a buffer zone for the safety of the public. Historically, many groups have come forth to inquire about possible uses of the land, including the current Legacy Trail. The intent of the large amount of land dedicated to TTSA, was to operate the plant in a safe manner.

Director Smelser expressed concern that the Agency is responsible for the results that come out of Well 31 and any possible land uses should consider this responsibility.

There is no imminent need to lease or sell land. The Board directed Agency Counsel to review deed restrictions, Agency Act, and Surplus Lands Act issues and advise the Board on these matters to inform future decisions.

President Wilkins suggested the topic should be brought back in the future with further information from Agency Counsel.

V. Management Team Reports

1. Department Reports

Mr. Peak provided an update on the operations department.

Mr. McGinnis provided an update on the maintenance department.

Mr. Parker provided an update on the engineering department.

Ms. Sublet provided an update on the administration department.

No action was taken by the Board.

2. General Manager Report

Mr. Pallante provided an update on the status of various ongoing projects, none of which required action by the Board.

VI. Board of Directors Comment

Director Tresan thanked TTSA staff for attending the CWEA banquet. He also requested that a future resolution be brought forth at the March Board meeting, related to the sodium hypochlorite project.

President Wilkins did not realize that the change over from chlorine to sodium hypochlorite could be permanent and expressed his hope that it would be permanent.

Director Wilson commented on the Agency's new website and commented on the ease of maneuverability within the site.

Director Cox thanked General Manager Pallante for making a presentation at the Olympic Valley Board meeting.

There was no action taken by the Board.

The Board went into Closed Session at 12:30 p.m.

VII. Closed Session

1. Closed session for public employee performance evaluation of the General Manager. (Government Code, §54957.)

Closed session ended and Open Session began at 12:46 p.m. with no reportable action coming from closed session.

VIII. Adjournment

There being no further business, the meeting was adjourned at 12:47 p.m.

MOTION by Director Smelser **SECOND** by Director Cox to adjourn meeting; unanimously approved.

The Board approved the motion by the following roll call vote:

AYES:	Directors Tresan, Cox, Smelser, Wilson and President Wilkins.
NOES:	None
ABSENT:	None
ABSTAIN:	None

Motion passed.


Richard Pallante
General Manager

Approved: 03-15-2023