

Tahoe City Public Utility District

BUDGET WORKSHOP APPROVED MINUTES

November 5, 2012

DIRECTORS PRESENT: President Judy Friedman, Vice President Lou Reinkens
Directors Erik Henrikson, Dan Wilkins and Ron Treabess

STAFF PRESENT: Cindy Gustafson, General Manager
Ramona Cruz, Director of Accounting & Employee Services
Matt Homolka, District Engineer
Tony Laliotis, Director of Utilities
Bob Bolton, Director of Parks and Recreation
Steve Gross, Legal Counsel
Terri Viehmann, District Clerk

OTHERS PRESENT: Jon LeRoy, Coral Lochridge, Roger Adamson,
Layne VanNoy, Dan Lewis

A. CALL TO ORDER

President Friedman called the meeting to order at 4:02 p.m. and led the audience in the Pledge of Allegiance.

B. PUBLIC FORUM

There was no public comment.

C. 2013 BUDGET WORKSHOP

Review of Operating and Capital Budgets

Director Friedman reminded everyone that this is a workshop. No action will be taken this evening.

Ms. Gustafson reviewed the District's mission statement and the 2013 budget assumptions. Ms. Gustafson noted that the proposed 2013 budget is 2.7% lower than the 2012 budget. 2 full-time positions have been eliminated for 2013. It was noted that employees are now picking up more of their pension contribution as outlined in their contract. The proposed budget includes no use of long-term capital reserves to accomplish the capital plan and leaves the District with a surplus of just over \$173,000.

Ms. Cruz took the Directors through the 2013 Budget Operating Summary sheet, emphasizing the water and sewer rates increase reduction in expenses and reviewed the change in the reserves. Ms. Cruz noted that additional work on the vehicle reserves needs to be completed. Ms. Cruz also walked the Board through the comparison of the 2012 budget to the draft 2013.

Ms. Gustafson reminded the Board of the District's core value statements and emphasized that the 2013 budget is built with those in mind.

Mr. Laliotis, Mr. Homolka, Mr. Bolton and Ms. Cruz each reviewed their department policy statements, department priorities, organizational charts and 2013 draft budgets.

Mr. Homolka reviewed the District's capital projects history and the 2013 District-Wide Five Year Capital Plan. He reviewed in detail both Water, Sewer, and Engineering capital plan.

Mr. Bolton reviewed in detail the Parks capital plan. Mr. Bolton paid particular attention to the golf course property capital plan.

Director Wilkins suggested that we might look for a higher degree of participation from our golf course property partners.

Ms. Cruz reviewed in detail the GSS capital plan.

Ms. Gustafson recapped the Water and Sewer rate review. She revisited the HDR Rate Study and reviewed the water and sewer replacement values. The focus was on the HDR recommended annual replacement funds through rates and how the District compares today to the initial recommendations.

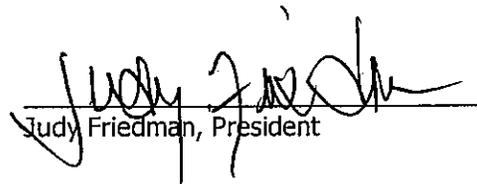
Ms. Gustafson detailed staff's rate recommendations for water. She noted that to continue to roll-back residential consumption rates as planned last year and achieve a 6% increase in revenue through consumption by focusing the rate increases in highest tiers of consumption. She noted staff is not proposing any changes to commercial water rates. She then reviewed staff's rate recommendation for sewer rates to increase by 9% which still represents a rolled back rate of over 30% to the Proposition 218 adopted rates.

The Directors asked to see a model detailing a 5% sewer increase for 2013 vs. the recommended 9% at the November 16th Board meeting.

D. ADJOURNMENT

The meeting was adjourned at 7:55 p.m.


Terri Viehmann, District Clerk


Judy Friedman, President

Prepared by Terri Viehmann