



TAHOE-TRUCKEE SANITATION AGENCY

A Public Agency
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TRUCKEE, CALIFORNIA 96161
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Directors

Dale Cox: President
Dan Wilkins: Vice President
David Smelser
Blake Tresan
S. Lane Lewis

General Manager

LaRue Griffin

BOARD OF DIRECTORS REGULAR MEETING MINUTES

September 16, 2020

I. Call to Order:

This meeting was conducted via GoToMeeting teleconferencing as described in the September 16, 2020 meeting agenda and the accompanying Guidelines for Using GoToMeeting for T-TSA September 16 Board of Directors Meeting. President Cox called the regular meeting of the Tahoe-Truckee Sanitation Agency Board of Directors to order at 9:00 AM. Roll call and Pledge of Allegiance followed.

Directors Present: Dale Cox, OVPSD (via teleconference)
Dan Wilkins, TCPUD (via teleconference)
S. Lane Lewis, NTPUD (via teleconference)
David Smelser, ASCWD (via teleconference) (arrived at 9:01 AM)
Blake Tresan, TSD (via teleconference)

Staff Present: LaRue Griffin, General Manager (via teleconference)
Roshelle Chavez, Administrative Manager (via teleconference)
Jay Parker, Engineering Manager (via teleconference)
Michael Peak, Operations Manager (via teleconference)
Richard Pallante, Maintenance Manager (via teleconference)
Vicky Lufrano, Human Resources Administrator (via teleconference)
Richard P. Shanahan, Agency Counsel (via teleconference)
Kevin Woods, IT Department (via teleconference)
Aaron Carlsson, Engineering Department (via teleconference)
Scott Fleming, Engineering Department (via teleconference)
Mike Smith, Engineering Department (via teleconference)
Dawn Davis, Administrative Department (via teleconference)
Tiffany Hambrick, Administrative Department (via teleconference)
Greg O'Hair, Operations Department (via teleconference)
Troy Kilgore, Operations Department (via teleconference)
Kristin Davis, Laboratory Department (via teleconference)
Paul Shouse, Maintenance Department (via teleconference)
Tanner McGinnis, Maintenance Department (via teleconference)

Public Present: John Northrop, Public
Sarah Coolidge, Public

Pippin Mader, Public
Jane Davis, Public
Carl Davis, Public
Suzie Tarnay, Public
Ellie Beals, Public
Craig Wright, Public

President Cox acknowledged Mr. Jon Northrop and thanked him for his many years of service as Alpine Springs County Water District representative to the Board of Directors at TTSA and wished him well on his retirement in Southern California. Mr. Northrop stated he was thankful to have worked with everyone. President Cox welcomed Director David Smelser as the new representative appointed to the TTSA Board of Directors from Alpine Springs County Water District.

II. Public Comment.

Mr. Carl Davis provided public comment regarding his concerns with the Classification and Compensation Study and on Mrs. Kristin Davis performing the Laboratory Director role. Ms. Jane Davis provided public comment regarding her concern over the Agency WDR violations.

Mr. Pippin Mader provided public comment regarding his concern with the Board of Directors, General Manager, operations, and overall management of TTSA. Mrs. Laura Mader provided written public comment regarding her concerns with upper management.

An anonymous employee provided public comment via GoToMeeting chat function regarding their support of the Board of Directors, the General Manager and upper management.

Mr. Aaron Carlsson provided public comment regarding his support of the Agency, operations, staff, Board of Directors, and General Manager.

No further action was taken by the Board.

III. Professional Achievements, Awards and Anniversaries.

Mrs. Vicky Lufrano acknowledged Agency staff whom obtained professional achievements, awards, and anniversaries received for the previous calendar month to the Board of Directors.

IV. Consent Agenda

1. Approval of the minutes of the regular Board meeting on August 19, 2020.
2. Approval of general fund warrants.
3. Approval of financial statements.
4. Approval of Progress Pay Estimate No. 5 for the 2019 Roof Repair project.
5. Approval of Progress Pay Estimate No. 5 for the 2020 Plant Painting project.

MOTION by Director Lewis **SECOND** by Director Tresan to approve the Consent Agenda items; motion approved.

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

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

Motion passed.

V. Regular Agenda

1. Report from August 19, 2020 closed session meeting.

Mr. Griffin stated there was no action to report from the August 19, 2020 closed session meeting.

2. Presentation of Agency Waste Discharge Requirements (WDR): Effluent Testing.

Mr. Michael Peak presented a PowerPoint presentation on effluent testing per the Agency WDR, which included details of past WDR violations and the direction to have WWTP operators perform laboratory testing on weekends. The presentation was followed by questions from the Board of Directors and public comment.

3. Approval of Resolution No. 12-2020 approving employee benefit changes.

Mrs. Vicky Lufrano provided the Board of Directors with an overview of the employee benefit changes and answered director questions. Public comment was received by Mr. Mark Wasley regarding employee benefit equity and Pippin Mader regarding retiree health care benefits. Staff was directed to report back to the Board of Directors within 3 months on retiree health benefits.

MOTION by Director Tresan **SECOND** by Director Lewis to approve Resolution No. 12-2020; unanimously approved.

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

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

Motion passed.

4. Approval of Resolution No. 13-2020 adopting the Agency Fund Policy and extinguishing Administration Fund (Fund 00), Operation & Maintenance Fund (Fund 01), and Rate Stabilization Fund (Fund 08).

MOTION by Director Lewis **SECOND** by Director Tresan to approve Resolution No. 13-2020 with an amendment to the “Target Balance” of the *Wastewater Capital Reserve Fund* (Fund 02) and the *Replacement, Rehabilitation and Upgrade Fund* (Fund 06) to read “shall have a minimum target balance equal to fifty percent (50%) of the projected five years (current, plus four) of the planned budget for the capital improvement projects.”; unanimously approved.

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

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

Motion passed.

5. Approval of Task Order No. 34 with CH2M Hill, Inc. for the 2021 Chlorine System Process Hazard Analysis (PHA) Revalidation project.

MOTION by Director Lewis **SECOND** by Director Tresan to approve the award of Task Order No. 34 with CH2M Hill, Inc. for the 2021 Chlorine System Process Hazard Analysis (PHA) Revalidation project in the amount of \$27,121; unanimously approved.

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

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

Motion passed.

VI. Management Team Reports

1. Department Reports.

Mr. Peak provided an update on current and past projects for the operations department and reported that all waste discharge requirements were met for the month except for two (2) violations. On August 3, 2020, the total coliform organism 7-day mean limit of 23 MPN/100 was recorded at 52-54 MPN/100 and on August 4, 2020, the pH at Well #31 was recorded at 6.4 pH units. These violations were reported to the Regional Water Quality Control Board (Lahontan Region). He also provided an update to laboratory operations and informed there was an ongoing investigation by ELAP into the laboratory and the findings would be shared with the Board of Directors once completed.

Mr. Pallante provided an update on current and past projects for the maintenance department.

Mr. Parker provided an update on current and past projects for the engineering department.

Mr. Woods provided an update on current and past projects for the information and technology department.

Mrs. Chavez provided an update on current and past projects for the administration department.

No action was taken by the Board.

2. General Manager Report

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

Public comment was received by Mr. Pippin Mader, Mr. Carl Davis and Ms. Janet Davis regarding department reports.

No action was taken by the Board.

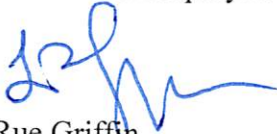
VII. Board of Director Comment

Director Smelser stated that he would try his best to catch up to current Agency business.

There being no further business, the open session meeting was adjourned at 12:28 PM.

The Board then continued the teleconference to conduct a closed session to consider the following item:

1. Public Employee – Govt. Code § 54957: Performance evaluation of General Manager.



LaRue Griffin
Secretary to the Board

Approved: 10/21/20

Documentation received as read
during Public Comment.

September 14, 2020

T-TSA Board of Directors,

In July I published an article warning that T-TSA had ongoing discharge violations and that management would abuse their power to interfere with test results they didn't like by blaming staff that reported the issues. Unfortunately, this is exactly what is happening. On page 87 of the September board packet Operations Manager Michael Peak wrote a report that blames his lab staff for reporting discharge violations, implies that the data they generated was questionable without providing any evidence, and tries to say the nine discharge violations involving three different constituents that have occurred at T-TSA in the last two months are somehow all fabricated. It appears the only evidence for his actions are that the results reflect badly on him.

The clear implication is that staff that report results that do not reflect well on upper management will be attacked, disparaged, and blamed. I ask you to read his report and consider whether any staff member at T-TSA could feel comfortable informing Mr. Peak that a violation had occurred. An agency like T-TSA relies on the public's ability to trust its integrity. The community and ratepayers deserve better than this. Please take action to show that you expect management to take responsibility for the plant operation and that you won't accept a culture of blame and excuses.

Laura Mader

When I was first hired at T-TSA, I understood there was a group that was dissatisfied with the new direction Mr. Griffin was taking the Agency. In the beginning, I was impartial and sought out viewpoints from each side. When I asked a fellow employee why they were unhappy, they responded, “things could be better.” Over the last three years, I have concluded there is no substantive reason for dissatisfaction, only a simple desire for “things” to return to the way they were before.

But why did the Board select Mr. Griffin? As technology improved and management styles became more refined the Board saw the opportunity to improve T-TSA for the better. Selecting Mr. Griffin put T-TSA on a solid path to enhancing the level of service to the community and our ratepayers, and improve plant operations.

To date, the Board and management have made many positive improvements to T-TSA. Here are just a few:

1. Authorized the development of a master plan, further enhancing our ability to provide excellent service to the community.
2. Numerous facility improvements and planned future facility improvements here at the plant and the TRI.
3. Development of GIS, and asset management system.
4. Conducting a comp and class survey to ensure that employees are fairly compensated. The Board decided to freeze compensation for employees found to be above industry norms rather than reduce their compensation.
5. Review of staff job tasks and outsourcing specific tasks to make our workforce more efficient.
6. Update the employee handbook as requested by employees.
7. Asking staff if they would like to switch to a 4/10 schedule, allowing staff to vote on what work best for them, and providing scheduling flexibility where requested.
8. Soliciting staff to determine what benefits we would like.
9. Taking steps to improve the culture at T-TSA by developing clear and concise core values for employees.
10. Increasing transparency and the greater sharing of information. For example, holding regular all staff meetings to get information out to staff, and making information concerning staff available on T-TSA’s website.
11. Hiring a dedicated safety officer who ensures compliance with CAL-OSHA, and CALEPA regulatory requirements.
12. Implementation of numerous safety improvements around the plant.
13. Hiring a dedicated HR person to better serve the needs of employees and the Agency at the request of staff.
14. Cost reduction measures implemented by the Administration Department, such as putting fees T-TSA collects on the county tax rolls, and transitioning to a more efficient accounting software.
15. Refinancing loans to obtain a better interest rate, thus saving the Agency money.

Next, I would like to draw attention to the ad hominem attacks emanating from a small coordinated group. When the conversation devolves to the point where the only things you can use are personal attacks and a fraction of the truth to get “things” back to the way they were, you are doing the community and T-TSA disservice.

T-TSA’s Core Values drive us to “seek and share the truth.” I would encourage the public and other interested parties to go to T-TSA’s website and read the entire PERB decision. This document is located under the Human Resources tab. After reading it in its entirety, I have determined certain people are cherry picking specific information from it and trying to use isolated facts to further bolster their opinion and use that to sway the opinions of others. Please read the entire PERB decision and report all the facts.

Lastly, I want to ensure the public that the T-TSA Board, Management, and Staff all take the job we do very seriously. We understand the importance of service, professionalism, teamwork, initiative, and communication play in providing you our best.

Sincerely,

A handwritten signature in blue ink, appearing to read "Aaron Carlsson", with a stylized flourish at the end.

Aaron Carlsson, PE

My name is Mark Wasley, I am the Finance and Administrative Services Manager at Truckee Sanitary District and a Board Member at Truckee Donner Recreation and Park District. However, here, I am writing as a Nevada County native and resident of Truckee since 2001 and not as a representative of either TSD or TDRPD. I request that the following public comment be read aloud during the Tahoe Truckee Sanitation Agency September 16, 2020 board meeting and that my comment afforded consideration before the Agency Board taking action on Agenda Item V.3.

Thank you to Agency staff for efficiently and responsibly bringing this matter before the Agency Board just ahead of the CalPERS Open Enrollment opening on Monday, September 21, 2020.

I commend the Agency for continuing to provide quality healthcare insurance coverage for your employees. I hope that Agency employees truly recognize the tremendous value and enormous cost of the healthcare insurance benefit and other benefits they are afforded as employees of Agency. So often, employees not paying a share of their benefits lose appreciation and awareness. I believe quality healthcare coverage is crucial for all individuals, benefits Agency operations and is an attractive recruitment and retention element for future and current Agency employees.

The Agency's continued selection of the CalPERS Care plan exceeds that of most other local public agencies, including many or all T-TSA member districts. I applaud the Agency for currently examining the cost of the Agency provided healthcare insurance benefits and working towards a solution that will afford the Agency as well as Agency employees the opportunity reduce costs while incentivizing and sharing in the cost savings. The Agency cost savings will ultimately result in lower user fee increases for all of the Agency's customers and demonstrates financial accountability to our Truckee North Lake Tahoe communities. Looking at options for sharing of the savings with Agency employees will tie employees to a personal level of financial participation and accountability.

The attached estimate indicates that the potential savings between CalPERS Care to CalPERS Select to be in the neighborhood of \$750,000 for calendar 2021 if all employees were to adopt the CalPERS Select coverage. CalPERS Select is the quality level of coverage selected by the vast majority of the Town of Truckee employees and Town of Truckee Management has claimed a high level of employee satisfaction and nearly full adoption through two to three years of CalPERS Select enrollment.

While I applaud looking at the various ways to share cost savings, I ask the Board and Agency staff to consider an employee benefit equity goal. Adam's Equity Theory tells us that it does not matter if we believe a policy is fair and equitable but whether our employee's believe that the policy is fair and equitable. Currently, insurance benefits are paid for by the Agency based on an employee's marital and/or parental status. I believe this approach towards healthcare insurance benefits is antiquated and rife with bias and discriminatory issues exposing an employer to potential hiring and firing discrimination liabilities. The calendar 2021 cost of the CalPERS Care plan is \$15,500 for Employee Only and \$40,400 for Families. Would the Agency hire a \$60,000 per year employee that comes with an additional \$25,000 per year healthcare insurance benefit cost if two candidates were otherwise equally qualified? Are you allowed to consider such in your hiring decisions? Are you certain that you wouldn't consider this 42% difference in a hiring

decision? Further, I contend, this lack of equity tears apart the goals and intention of the Agency's wage scale structure and can lead towards employee equity concern.

To address this employee benefit equity issue, I suggest that the Agency select either the CalPERS Care or CalPERS Choice Family rate for Region 1 to be deemed the 'Maximum Healthcare Insurance Contribution Rate and that this be the rate against which to measure the savings subject to the 50% sharing to each employee's HRA account. I believe incorporating such a change into your approvals the Resolution today can meet the goals of the policy while achieving and improving employee benefit equity and still be completed ahead of the closure of the CalPERS Open Enrollment period for calendar 2021. This approach would reduce some of the Agency savings, but provides a common starting place for all future and current Agency employees.

A couple of additional items I would ask be addressed in regards to the proposed policy.

Section 1.d. - Would it be appropriate for the Agency to require the Agency employees utilize either the Agency or the Agency employee's zip code during annual open enrollment that results in the lowest cost to the Agency and the Agency employee. While for calendar 2021, the out-of-state rates are lower than Region 1, this may not always be the case.

Section 5 - State Disability Insurance (SDI) – SDI is traditionally administered by the State of California with a 1% employee deduction forward to the State of California. Is this not the care for the Agency and Agency employees?

Section 8 – HRA - appears, in the proposed policy, that all employees are afforded the full amount of the deductible each year regardless if that deductible is actual an out-of-pocket cost to employees. Is that the intent? Is that the current policy? Would it make more sense to only reimburse such deductible costs if there is an out-of-pocket cost actually incurred by the employee?

Section 8 – HRA - appears to indicate that employee's HRA accounts will be maintained for the benefit of employees upon separation/termination/retirement. Will subject balances be afforded interest or investment earnings? Will subject balances be held in trust? Has this been vetted by legal and employment tax counsel?

Section 11 – Pension – the contributions identified required contributions are more appropriately labeled as 'Normal Cost' contributions. Section 11a fails to identify additional Normal Cost contributions where there are two additional Normal Cost contributions when the Agency elects to pay the Employee share, being the Employer share and the Employee share on the Employee share elected to be paid by the Agency.

Section 12 – Life Insurance – As currently drafted, there is a coverage level of \$200,000 / employee. It is often the case that carriers have reduced coverage at 60, 65, and 70 years of age. Is this not the case with T-TSA's carrier?

Overall, document fails to include Social Security and Medicare benefits. Does Agency participate in Social Security and Medicare?

Overall, document should probably include Agency's reserve right to change and/or modify at its sole discretion

Overall, rather than saying that 'savings' will be funded to the employee's HRA monthly, would it be more appropriate to say something more along the lines of 'savings will be funded to the employee's HRA as soon as administratively practicable and no later than 60 days after the savings are realized.'

Tahoe Truckee Sanitary Agency

Healthcare - PERS CARE vs PERS Select

Calendar 2021

2021 - Region 1 - PERS CARE				
	Single	2-Party	Family	Total
Monthly	1,294.69	2,589.38	3,366.19	
Months	12.00	12.00	12.00	
Annual	15,536.28	31,072.56	40,394.28	
Employees	8.00	9.00	23.00	40.00
Total Cost	124,290.24	279,653.04	929,068.44	1,333,011.72
2021 - Region 1 - PERS Select				
	Single	2-Party	Family	Total
Monthly	566.67	1,133.34	1,473.34	
Months	12.00	12.00	12.00	
Annual	6,800.04	13,600.08	17,680.10	
Employees	8.00	9.00	23.00	40.00
Total Cost	54,400.32	122,400.72	406,642.39	583,443.43
Difference				
	Single	2-Party	Family	Total
Monthly	728.02	1,456.04	1,892.85	
Months	12.00	12.00	12.00	
Annual	8,736.24	17,472.48	22,714.18	
Employees	8.00	9.00	23.00	40.00
Total Cost	69,889.92	157,252.32	522,426.05	749,568.29
2021 - Region 1 - PERS CARE	124,290.24	279,653.04	929,068.44	1,333,011.72
2021 - Region 1 - PERS Select	(54,400.32)	(122,400.72)	(406,642.39)	(583,443.43)
difference	69,889.92	157,252.32	522,426.05	749,568.29
% CARE > Select	128.47%	128.47%	128.47%	128.47%
% Select < CARE	56.23%	56.23%	56.23%	56.23%

Notes:

- (1) CalPERS Final Rates for Calendar 2021
- (2) Coverage mix estimated
- (3) does not include potential cost of equalization of benefits
- (4) does not include potential additional savings related to retiree premiums