

**MINUTES OF REGULAR MEETING OF
NORTH TAHOE PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
North Tahoe Event Center
8318 North Lake Boulevard, Kings Beach, CA 96143
Tuesday, February 11, 2014**

CALL TO ORDER/ESTABLISH QUORUM

The Regular Meeting of the North Tahoe Public Utility District Board of Directors was held on Tuesday, February 11, 2014 at the North Tahoe Event Center in Kings Beach, California. President Lewis called Closed Session to order at 8:30 a.m. Present were Directors Bergmann, Ferrell, and Thompson, Daniels and President Lewis. The full Board was present, establishing a quorum.

CLOSED SESSION AGENDA: Pursuant to Government Code, the Board of Directors held a closed session to discuss the following listed items.

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Discussion pursuant to subdivision (a) of Section 54956.9. Name of case: Stuart Corvin v. North Tahoe Public Utility District, et al.
2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION Discussion pursuant to subdivision (a) of Section 54956.9. Name of case: North Tahoe Public Utility District v. Diablo Contractors, Inc. a CA Corp., Coral Construction Company, an Oregon Corp., and DOES 1 through 50.
3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Discussion pursuant to Section 54956.8. Property: 8318 North Lake Blvd., Kings Beach State Recreation Area. Agency Negotiator: General Manager Schultz. Negotiating Party: State of CA. Under Negotiation: Terms of Agreement.
4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Discussion pursuant to Section 54956.8. Property: “Stoker Property” – APN 090-121-010, -011, -026, -027, 090-122-030, -031, -033, and -034. Agency Negotiator: General Manager Schultz. Negotiating Party: Joseph Huelle. Under Negotiation: Terms of Agreement.
5. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Discussion pursuant to Section 54956.8. Property: Firestone Property, Assessor’s Parcel Nos. 092-010-040, -041, -042, and 093-010-037, -038, -039. Agency Negotiator: General Manager Schultz. Negotiating Party: Placer County. Under Negotiation: Terms of Agreement.
6. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Discussion pursuant to Section 54956.8. Property: 8308 North Lake Blvd., Sun and Sand Lodge, Assessor’s Parcel No. 090-072-026. Agency Negotiator: General Manager Schultz. Under Discussion: Terms of Agreement.

ESTABLISH QUORUM/PLEDGE OF ALLEGIANCE

President Lewis called Open Session to order at 9:30 a.m. The full Board was present. President Lewis reported that action was taken by the Board during Closed Session to adopt Resolution 2014-04 regarding the Kings Beach State Recreation Area, affirming the Board’s desire to maintain the KBSRA. Motion to adopt was made by Director Ferrell, and seconded by Daniels. Resolution 2014-04 was adopted upon a unanimous roll call vote (5-0).

In addition to the Board of Directors, staff in attendance included General Manager/CEO Schultz, Chief Financial Officer Marple, Park and Facilities Manager Towner, Engineering and Operations Manager Stelter, Utility Operations Manager Begin, Contracts & Planning Coordinator Gibbons, Construction Administrator Butterworth, Public Information/IT Manager Emmerich, and Executive Assistant/Board Secretary Potts. Counsel Eskind was also present.

Director Daniels led the Pledge of Allegiance.

REVIEW AGENDA: No additions or deletions were made to the agenda. Because Mr. Hope was present to discuss his Correspondence with the Board, this items was rescheduled to be heard upon closing Public Comment.

TIMED ITEM

PUBLIC FORUM (9:35 a.m.): No members of the public were present to address the Board of Directors on non-agendized items under Public Forum, and it was closed at 9:35 a.m.

CORRESPONDENCE

1. Correspondence from Michael Hope regarding sewer line at 435 Bear Street, Kings Beach

Bonnie and Michael Hope addressed the Board on his investigation of the sewer lines with contractor, developer, excavator, land owner, and former employee of the District, Coral Taylor. He stated that he has reviewed the District's files, and summarized his findings. Mr. Hope requested that better policies and procedures be established by the District relative to plan review, and requested reimbursement for his expenses. Director Daniels noted that the previous property owner was knowledgeable about the property, and believed that he should have been asked for sewer lateral location details by the developer. Contracts and Planning Coordinator Gibbons read Sewer Ordinance Section 3.02 emphasizing the responsibilities the property owner and the District upon request for locations on the owner's private property. General Manager Schultz advised Mr. Hope that it is necessary to file a claim when seeking reimbursement from the District, and to do so, that Mr. Hope should contact the District's Risk Manager. After receiving the claim, the District will bring it to the Board for review and action.

CONSENT CALENDAR: The following consent calendar items were presented for approval. Director Bergmann noted his specific conflicts with accounts paid and payable.

1. Approve Accounts Paid in the amount of \$148,164.12 and Payable in the amount of \$296,511.45, with conflicts (Vendor: Rainbow Printing) in the amount of \$637.08, for Director Bergmann for the period from January 14, 2013 through February 10, 2014.
2. Approve Minutes of the January 14, 2014 Regular Board Meeting.
3. Reject All Bids for NTPUD Base Administration Facilities – Modular Building Bid (#1413).

MOTION: Director Ferrell moved to approve the Consent Calendar, with noted accounts paid and payable conflicts for Director Bergmann. Upon second by Director Daniels, the motion carried unanimously (5-0) by roll call vote.

10:00 A.M. AUDIT REPORT: Ron Ley was present from Damore Hamric Schneider to present the Independent Audit Report for the Fiscal Year 2012/2013.

Auditor Ron Ley noted the annual letter for agreed upon procedures showing “no findings” for Fiscal Year 2012/2013. Director Bergmann reviewed the audit findings as part of the Finance Committee, and stated that he recommends a review of customer accounts relative to billing of water overage charges discovered during the audit. A compound meter setup for one group of customers failed to bill one customer water overage charges. Mr. Ley also recommended that the District reviews all compound meter setups to ensure that all are correct. President Lewis asked about unfunded CalPERS pension liability. Mr. Ley noted that new accounting standards effective June 30, 2015 will provide information to each member District of their portion of unfunded liability on an annual basis, and these unfunded liabilities will be included on the District’s Statement of Net Position. Mr. Ley provided an overview of the District’s financial highlights which show a net increase of \$ 2.7 million in total assets. Mr. Ley thanked staff and specifically the Finance Department for facilitating the audit process.

President Lewis adjourned the meeting for a short break at 10:45 a.m. and reconvened the meeting at 10:55 a.m.

OLD BUSINESS

Approve Budget Adjustment for Base Facilities Design; Authorize New CIP Project and Budget Adjustment for the Parks Maintenance Building; and Authorize General Manager to Execute Task Order No. 005 with Peter Gerdin, Architect, for design of conventional framing, Parks Maintenance Building, and revised parking improvements and Perform necessary actions to expedite the NTPUD Base Administration Facilities Project (#1008)

Engineering and Operations Manager Stelter discusses project including the base facilities building, a change of use for the sprung structure for parts storage and the Parks Department maintenance and storage building within the Regional Park. EOM Stelter recommended combining all of the District’s needs for the base facilities into one project in order to coordinate design and permitting. He noted that the cost savings presented to the District by Clark and Sullivan were attained by removing, or postponing, necessary attributes. EOM Stelter discussed recent issues with Tahoe Regional Planning Agency and the Stream Environment Zone conflict in the parking area for base facilities which creates the need for some redesign. The need to include Board meeting space was addressed. Director Thompson discussed the possibility of keeping the current administration building. Director Ferrell noted that he sees the inclusion of a Parks Department maintenance and storage building as a separate project. Contracts and Planning Coordinator Gibbons noted that because Base Facilities and the Parks Maintenance Building are on the same parcel, TRPA is requiring that it be permitted together which will permitting fees. President Lewis agreed with the recommendation that the Utility Operations Department should utilize the

current Parks Department sprung structure, and pay for the building in trade. President Lewis wants to move forward with the project as proposed and TRPA permitting. The Board directed Park and Facilities Manager Towner to perform a space allocation exercise to determine the size of the building required.

MOTION: Upon motion by Director Ferrell, and second by Director Daniels, the Board voted by roll call (4-1) with Director Thompson voting no to approve staff recommendations with amendments as follows:

1. The Board approved a Budget Adjustment in the amount of \$51, 820 for the Base Facilities Design (#1008).
2. The Board authorized a new CIP Project for a Park Maintenance Building (maximum of 4,000 square feet) with a budget adjustment in the amount of \$7,800 for Geotech and Site Survey.
3. The Board authorized General Manager Schultz to Execute Task Order No. 005 in the amount of \$17,820 with Peter Gerdin, Architect for design of conventional Framing and revised parking improvements.
4. The Board authorized the General Manager to perform necessary actions to expedite the NTPUD Base Administration Facilities Project.

MANAGEMENT TEAM INFORMATIONAL UPDATES

1. Accounting Department Report

a. Monthly Financial Statement for December 2013

b. Treasurer's Report

Chief Financial Officer presented the Financial Statement and Treasurer's Report. Both reports were discussed briefly.

2. Park and Facilities Department Report

Park and Facilities Manager Towner stated that the North Tahoe Event Center lighting project was almost complete, and was being done internally with Parks Staff. She also noted that she had spoken to the Recreation Committee about Recreation Commission reinstatement. The Committee concurred with her recommend to do so. Additionally, it was noted that funds made from this year's Pancake Breakfast will go toward the dog park.

3. Planning and Engineering Department Report

Engineering and Operations Manager Stelter noted that the crew has been trained on the District's Asset Management System, Lucity which ties in assets with GIS maps, noting that missing data needs to be input with proper categorization. He noted that Lucity will help plan for needed capital improvements, and better manage resources.

4. Utility Operations Department Report

Utility Operations Manager Begin commended staff for their work done, and announced the awards received by staff from CWEA, Sierra Section for 2013.

NEW BUSINESS

Adopt Ordinance No. 386 of the North Tahoe Public Utility District Amending Chapter 10, Articles 10.75.050, 10.75.055, and 10.75.072 of the District's Code of Ordinances related to Fees within the North Tahoe Regional Park.

Park and Facilities Manager Towner clarified changes to the Ordinance, and advised of the fee study she performed, and the addition of a season pass for non-residents.

MOTION: Upon motion by Director Bergmann and second by Director Daniels, the Board voted unanimously (5-0) by roll call vote to adopt Ordinance No. 386 amending Chapter 10 of the District's Code of Ordinances related to fees within the North Tahoe Regional Park.

Reinstate the District's Recreation and Parks Commission as an Advisory Group for the Park and Facilities Department and related matters

MOTION: Upon motion by Director Daniels and second by Director Bergmann, the Board voted unanimously (5-0) to reinstate the Recreation and Parks Commission as a five member advisory group for the Park and Facilities Department and related matters. Direction was given to advertise for recruitment of Commissioners, holding meetings quarterly.

Adopt Resolution #2014-03 of the North Tahoe Public Utility District Declaring Drought Conditions and Implementing Stage 1 Water Conservation Measures. A discussion was held regarding the Governor's declaration, and the District's mission to reduce water usage by 20% by 2020.

MOTION: Upon motion by Director Daniels and second by Director Ferrell the Board voted unanimously (5-0) by roll call vote to adopt Resolution No. 2014-03 declaring drought conditions and implementing Stage 1 water conservation measures.

GENERAL MANAGER/CEO COMMENTS

General Manager Schultz noted that the District will prepare a Lucity presentation for the Board meeting in March or April.

BOARD OF DIRECTORS COMMENTS

Director Bergmann inquired about erosion control grant funding for Lake Tahoe from Bureau of Land Management for the dog park road within the Regional Park. President Lewis thanked staff for the positive audit report for Fiscal Year 2012/2013.

CORRESPONDENCE

- 1. Correspondence from Michael Hope regarding sewer line at 435 Bear Street**
- 2. Correspondence from Chinquapin HOA requesting extension of District's maintenance responsibilities** – Staff met with CHOA General Manager, Bob Duffield, and he requested specific cleaning and repairs which the District is performing. The Board's consensus was to continue with the requested repairs and cleaning at Chinquapin without an additional extension of time. No action was taken to extend the deadline for the District's maintenance responsibilities at Chinquapin.
- 3. Correspondence regarding California Water Environment Association (CWEA) Sierra Section Award Recipients – Chris Avery, David Berry, and Michael Thornton**

ADJOURNMENT

There being no further business to be brought before the Board of Directors, the meeting was adjourned at 1:20 p.m.

Marianne J. Potts
Board Secretary