

**MINUTES OF MEETING OF THE
NORTH TAHOE PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
North Tahoe Event Center
8318 North Lake Boulevard, Kings Beach, CA 96143
Tuesday, March 10, 2015**

CALL TO ORDER/ESTABLISH QUORUM

A Meeting of the North Tahoe Public Utility District Board of Directors was held at the North Tahoe Event Center in Kings Beach, California on Tuesday, March 10, 2015. Present at the meeting were President Lewis, Directors Bergmann, Ferrell, Thompson, and Daniels, comprising the full Board and establishing a quorum.

President Lewis called the meeting to order at 1:30 p.m. and identified discussion items as listed below before adjourning to Closed Session. General Manager Whitelaw, Chief Financial Officer Marple, Counsel Eskind, John Sutak and Greg Locher of John Sutak Risk Services, and Consultant John Larsen were in attendance during Closed Session, as well as Counsel Joseph Salazar who attended by teleconference.

CLOSED SESSION AGENDA

Pursuant to Government Code, the Board of Directors discussed the following 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 LABOR NEGOTIATORS – Discussion pursuant to Section 54957.6. District Negotiators: General Manager Whitelaw, Chief Financial Officer Marple, and HR/Risk Manager Lazzareschi. Under Negotiation: IUOE Local 39 Memorandum of Understanding for Classified Employees

OPEN SESSION/PLEDGE OF ALLEGIANCE/REVIEW AGENDA

President Lewis called Open Session to order at 3:18 p.m. The full Board was present. President Lewis reported that no action was taken in Closed Session and that the Board would return to closed session after the open session of the meeting to discuss closed session Item #2.

Staff in attendance included General Manager Whitelaw, Chief Financial Officer Marple, Park and Facilities Manager Towner, Engineering and Operations Manager Stelter, Utility Operations Manager Begin, HR/Risk Manager Lazzareschi, Information Technology/Public Information Administrator Emmerich, Contracts and Planning Coordinator Gibbons, Construction Administrator Butterworth, and Executive Assistant/Board Secretary Potts. Counsel Eskind was not present for the open session portion of the meeting.

Director Daniels led the Pledge of Allegiance.

No changes were made to the agenda. The Board may hear items out of order.

TIMED ITEMS

3:08 p.m. PUBLIC FORUM: There being no other public present to address the Board at this time, Public Forum was closed at 3:20 p.m.

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 and Payable for the period from February 10, 2015 through March 9, 2015.
2. Approve Minutes of the February 10, 2015 Regular Board Meeting and February 5, 13, 18, and March 3, 2015 Special Board Meetings

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

MANAGEMENT TEAM INFORMATIONAL UPDATES

Accounting Department Report for January 2015

a. Monthly Financial Statement

b. Treasurer's Report

Chief Financial Officer Marple presented the District's financial statement through the month ending January 31, 2015 with discussion focusing on seasonal revenues versus expenses. Directors Daniels and Bergmann, members of the Finance Committee, directed staff to schedule a committee meeting before the date of the Regular Board meeting in order to discuss and review any changes to the budget recommended by staff based on Development and Planning Committee recommendations.

Park and Facilities Department Report

Park and Facilities Manager Towner updated the Board on current projects, and presented locations in the North Tahoe Regional Park where the two proponents hoped to build a ropes course. A committee was reviewing the proposals to provide a recommendation to the District. President Lewis expressed concerns regarding increased traffic, parking, and the need for increased staff hours as well as the impacts new park activities has on neighborhoods surrounding the park. The way finding sign project, the Tahoe Unleashed dog park, and grant funding for the purchase of a generator for the event center were discussed.

Planning and Engineering Department Report

Engineering and Operations Manager Stelter discussed details being worked out for the Base Facilities project, coordination being done between Placer County and the District on the Kings Beach Commercial Core Improvement Project, Firestone Property easements being verified by field work, and information being coordinated between the CCTV data and the District's maintenance database. Contracts and Planning Coordinator Gibbons noted that an extension of emergency regulations and additional restrictions will be mandated by the State will be brought to the Board at the next regular meeting in April for adoption.

Utility Operations Department Report

Utility Operations Manager Begin reported that he provided a tour of District facilities to General Manager Whitelaw to familiarize him with the District's infrastructure. He updated the Board on utility operations crew activities including annual root cutting, repairs to the CCTV camera being performed, approximately 90% completion of the FOG Program requirements throughout the District, 100% completion of the water

meter replacement program which included installation of 120 meters and ERTs, elimination of over half of the District's bleeders used as necessary in the winter to prevent frozen lines, and the completion of safety and operations training for the District's Bobcat through United Rentals.

NEW BUSINESS

Authorize Budget Adjustment, Award Bid, and Authorize General Manager to Execute Agreement for the Dollar Hill 22" Force Main Rehabilitation Project (#1407)

Engineering and Operations Manager Stelter presented a history of the force main and the advantages of redundancy on the section of sewer main over Dollar Hill including increased capacity for volume, fewer friction losses, and greater capacity per pump.

A lengthily discussion was held regarding the District's Capital Improvement Program (CIP) project priorities. Staff was given direction by a consensus of the Board to review the CIP for priorities, specifically requesting consideration of completion of the Carnelian Sewer Main Station earlier than planned through the use of reserves.

Director Ferrell moved to reject all bids because of the finding that use of these CIP dollars would delay the Carnelian Bay Sewer Main Station Rehabilitation an additional year which the Board has determined to be a greater risk for a sewer spill within the District's system, and he would like to prioritize that project over the force main rehabilitation. Director Daniels seconded the motion for further discussion after which this motion was not voted upon.

General Manager Whitelaw noted that he is concerned as is Chief Financial Officer Marple that making this decision at a meeting without staff having the opportunity to review all aspects of the CIP projects, including funding. He noted that this project has been designed, gone to bid, and a favorable bid has been received and because both projects need to be completed asks that the Board move ahead with this planned expense.

Director Thompson made recommendations for an alternative to the bypass, and stated that he is against spending this much of the CIP money on a redundant line.

MOTION: After discussion, motion was made by Director Ferrell and seconded by Director Bergmann, to authorize a budget adjustment, award the bid, and authorize the General Manager to execute an agreement for the Dollar Hill 22" Force Main Rehabilitation Project (#1407) and waive a minor irregularity in the bid. The successful bidder, Mocon Corporation, had omitted its corporate seal in the bid documents and a bid protest was received by another bidder because of this omission which was determined to be a minor irregularity per District counsel. The motion carried (4-1) with Director Thompson voting no.

Authorize General Manager to Execute Memorandum of Understanding (MOU) for Participation in the California Tahoe Alliance

General Manager Whitelaw presented specifics of the MOU noting that the District will be entering into the MOU with other local government in the Tahoe Basin to ensure that the area is in the running to receive a fair share of any grant or other funding available, and participation will allow for the District to work within the alliance to receive its fair

share of the available dollars which will be earmarked toward specific projects to be determined. He recommends an expenditure of \$500 per month for participation in the Alliance.

MOTION: After discussion, Director Bergmann moved to authorize General Manager Whitelaw to execute the MOU for participation in the California Tahoe Alliance. Upon second by Director Thompson, the motion carried unanimously (5-0).

Approve Change Order #4 for the NTPUD Base Facilities Construction Project (#1413) Authorizing Contractor to Substitute Drywall Subcontractor in accordance with CA Public Contract Code Section 4107(a)(1)

Contracts and Planning Coordinator Gibbons presented the change order, noting that the change does not affect cost, but is a formality required for any change in a subcontractor.

MOTION: Upon motion by Director Ferrell and second by Director Daniels, the motion carried unanimously (5-0).

Authorize General Manager to Execute Professional Services Agreement with Andrew Morris as General Counsel

General Manager Whitelaw addressed the steps he has taken to move forward with appointment of new general counsel, advising that he has met with Counsel Eskind who is providing the District with a compilation of his current work. General Manager Whitelaw noted that new legal business would be given to the new general counsel to allow for Counsel Eskind to focus his time on current projects.

General Manager Whitelaw recommended appointment of Andrew Morris, a local attorney with extensive local government experience, who would be used for the legal needs of the District in the near future, while working with staff to create a request for proposals/qualifications for a long-term counsel appointment. Mr. Morris is not able to accept a long term appointment as the District's legal counsel due to other time constraints and long term commitments.

Discussion was held regarding the need for continuity and whether an interim step is necessary before hiring counsel for the long term. Director Daniels stated that Counsel Eskind is a good attorney and she believes the District should use him for District legal needs until new long-term counsel is appointed. Directors Ferrell and Thompson concurred with Director Daniels and didn't feel that hiring interim counsel is a necessary step.

MOTION: After discussion, a motion was made by Director Bergmann to authorize General Manager Whitelaw to enter into a Professional Services Agreement with Mr. Morris as General Counsel for the District. Before seconding the motion for discussion, Director Daniels asked for further discussion stating that we currently have a good attorney who can help out the District as needed. President Lewis called for a roll call vote. The motion carried by roll call vote (3-2) with Directors Daniels and Ferrell voting no.

CORRESPONDENCE

- 1. Call for Nominations from California Special Districts Association (CSDA) Seat A**
- 2. Registration Request for SDRMA Safety/Claims Education Day – Note: 2% SDRMA Incentive Credit will be earned for Board Attendance (Two Directors)**

Correspondence was discussed. No nominations were received for CSDA's open seat. Directors Daniels and Ferrell committed to go to the Special District Risk Management Authority (SDRMA) Safety/Claims Education Day on March 24th with Director Bergmann offering to serve as a backup in the event that Director Ferrell is unable to attend.

GENERAL MANAGER/CEO AND BOARD OF DIRECTORS COMMENTS

President Lewis welcomed recently appointed General Manager Whitelaw stating that he looked forward to a great long term relationship. A consensus of the Board was determined, and staff was directed to continue the afternoon Board meeting schedule to remain in place for an additional three months with an evaluation to be placed on the agenda at the June meeting.

CLOSED SESSION

President Lewis adjourned to closed session at 6:45 p.m. for discussion of Closed Session Item #2.

ADJOURNMENT

Closed Session Item #2 was discussed regarding Conference with Labor Negotiators, and President Lewis reported that no action was taken in closed session. There being no further business to come before the Board of the North Tahoe Public Utility District, the meeting was adjourned at 7:30 p.m.

Marianne J. Potts
Board Secretary