

**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, May 13, 2014**

CALL TO ORDER/ESTABLISH QUORUM

The Regular Meeting of the North Tahoe Public Utility District Board of Directors was held at the North Tahoe Event Center in Kings Beach, California on May 13, 2014. 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 8:30 a.m. and identified closed session items for discussion as listed below before adjourning to Closed Session at 8:35 a.m.

CLOSED SESSION AGENDA: Pursuant to Government Code, the Board of Directors held Closed Session to discuss 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 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: Property at the North Tahoe Regional Park, Old Gentry Property, and Firestone Property on Dollar Hill. Agency Negotiator: General Manager Schultz. Negotiating Party: Tahoe Expeditionary Academy. Under Negotiation: Terms of Agreement.
4. 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.
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: Stoker Property. Agency Negotiator: General Manager Schultz. Negotiating Party: Joseph Huelle. Under Negotiation: Terms of Agreement.

OPEN SESSION/PLEDGE OF ALLEGIANCE

President Lewis called Open Session to order at 9:33 a.m. The full Board was present. President Lewis reported that the Board decided to take action during Closed Session after the discussion on Item #6.

MOTION: Upon motion by Director Thompson and second by Director Daniels, the Board approved a change in the terms of the agreement for the sale of the Stoker Property to Mr. Joseph Huelle with the acceptance of \$780,000 down with the remaining \$30,000 payable to the District by a note due in one year at an interest rate of 2%. The motion carried unanimously (5-0) by roll call vote.

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, Construction Administrator Butterworth, Human Resources/Risk Manager Lazzareschi and Executive Assistant/Board Secretary Potts. Counsel Eskind was present for the beginning of the meeting.

Director Daniels led the Pledge of Allegiance.

REVIEW AGENDA: No changes were made to the agenda.

TIMED ITEMS:

9:35 a.m. PUBLIC FORUM: 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 9:36 a.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 April 14, 2014 through May 12, 2014
2. Approve Minutes of the April 13, 2014 Board Meeting
3. Approve Professional Services Agreement with KWA Safety and Hazmat Consultants, Inc. for Safety Training Services
4. Authorize General Manager to Execute Amendment for Tahoe Vista Recreation Area Summer Concessionaire Extending Agreement through December 31, 2014
5. Deny Claim for Sewer Lateral at 435 Bear Street, Kings Beach (Michael & Bonnie Hope)

Director Thompson requested that Items #3, 4 and 5 be removed from consent for discussion. After discussion, Items #3 and 5 remained on the consent calendar. Item #4 was postponed to follow the discussion scheduled for 10:30 A.M. regarding motorized and non-motorized concessions at the Tahoe Vista Recreation Area.

MOTION: Director Ferrell moved to approve the Consent Calendar, with the removal of Item #4 and noted accounts paid and payable conflicts for Director Bergmann. Upon second by Director Daniels, the motion carried unanimously (5-0) by roll call vote.

9:45 A.M. TIMED ITEM: Recreation and Parks Commissioner Appointments

Park and Facilities Manager Towner recommended the following appointments be made to the Recreation and Parks Commission. Local residents interested in serving on the

Commission were Charlie Teran, Kristin Pepin, Christina Mattson, Dave Shaw, and Jake McDermott, with Court Berger as an alternate.

MOTION: Director Daniels moved to appoint the commission applicants to the Recreation and Parks Commission as recommended. Upon second by Director Thompson, the motion carried unanimously (5-0).

10:00 A.M. TIMED ITEM: Boys and Girls Club of North Lake Tahoe (BGCNLT) Annual Report from Executive Director Mindy Carbajal

Executive Director of the BGCNLT, Mindy Carbajal, addressed the Board of Directors regarding the club's Annual Report for 2013. The annual report noted increased attendance at the club, activities including Futsal in the winter season which she noted as the biggest draw for membership, and an upcoming inaugural season of soccer directed toward teens.

The Board inquired about adult programs with Ms. Carbajal responding that the club offers open gym, karate classes, computer skills classes, and cooking classes for adults and families. President Lewis noted that the Board has been funding the club since 1994 through the District's Community Facilities District 94-1, and that funding for fiscal year 2014-2015 would be discussed during the Draft Budget Presentation at 11:00 a.m.

10:30 A.M. TIMED ITEM: Tahoe Vista Recreation Area (TVRA) Summer Concession - Discussion of Motorized versus Non-motorized Concessions

Director Daniels explained that the Recreation and Parks Committee gave direction to extend the current concessionaire's non-motorized agreement through December 31, 2014, stating that doing so will allow for a more advantageous proposal process than contract expiration during the summer season.

A general discussion was held regarding consideration of motorized concession at the site. The Board had concurred with a recommendation of the Recreation and Parks Commission in 2006 that the site was best suited for non-motorized recreation opportunities. It was noted that a jet ski or other motorized concession would require permitting by the Tahoe Regional Planning Agency. The Board directed Park and Facilities Manager Towner to send out a Request for Proposals in the fall to allow sufficient time for interested proposers. The Board requested that the discussion be brought before the newly reinstated Recreation and Parks Commission for consideration, and to reach out to the community by timing and advertising the discussion so that Tahoe Vista and other local residents can offer feedback.

Item 4, previously removed from the Consent Calendar, was acted upon after the discussion regarding TVRA concessions.

Authorize General Manager to Execute Amendment for Tahoe Vista Recreation Area Summer Concessionaire extending the Agreement through December 31, 2014.

After the discussion, Director Daniels moved to authorize General Manager Schultz to extend the current non-motorized concession agreement with Tahoe Adventure

Company through December 31, 2014 as recommended. Upon second by Director Thompson, the motion carried unanimously (5-0).

Director Ferrell left the meeting after the discussion (10:45 a.m.) and was absent for the rest of the meeting.

OLD BUSINESS

Cancel D-5 Satellite Sewer Pump Station Rehabilitation Project (#1411)

Staff explained that maintenance issues with the D-5 pump station have been resolved, the rehabilitation project has been reprioritized, and it will be included in the Capital Improvement Program when necessary in the future.

MOTION: Based on staff's recommendation, Director Daniels moved to cancel the project in the District Capital Improvement Program for 2013-2014. Upon second by Director Bergmann, the motion carried unanimously (4-0) with Director Ferrell absent.

MANAGEMENT TEAM INFORMATIONAL UPDATES

Accounting Department Report

a. Monthly Financial Statement for February 2014

b. Treasurer's Report

Chief Financial Officer Marple presented the Financial Statement and Treasurer's Report for February 2014. The reports were discussed briefly.

11:00 A.M. TIMED ITEM: Draft Budget Presentation for Fiscal Year 2014-2015

Chief Financial Officer Marple stated that a major change in operations had occurred since budget parameters were adopted in April now that the District is no longer operating or maintaining State or California Tahoe Conservancy (CTC) properties. California State Parks is assuming operation and maintenance of the Kings Beach State Recreation Area, Coon Street Boat Ramp, and the Coon Street Picnic Area effective May 15th; and the California Tahoe Conservancy is assuming operation and maintenance of the North Tahoe Beach, Kings Beach Plaza, Sandy Beach, and portions of Moondunes and Secline Beaches on July 1st. The loss of revenue for the Park and Facilities Department is estimated to be approximately \$323,000.

Additionally, the District's responsibility for street lights reduced expenses in the amount of \$19,000 annually.

Chief Financial Officer Marple stated that staff is working to right-size the budget and levels of service to be provided. Staff will present the budget at the June meeting in draft form for adoption, or further revision.

MOTION: Director Bergmann moved to approve the revised budget parameters as presented. Upon second by Director Daniels, the motion carried unanimously (4-0) with Director Ferrell absent.

Park and Facilities Department Report

Park and Facilities Manager Towner updated the Board on the North Tahoe Regional Advisory Council's recommendation to award a grant for the dog park which will be heard by the Placer County Recreation Commission prior to award by the Placer County Board of Supervisors.

The District also received a grant from the North Lake Tahoe Resort Association for marketing upcoming mid-week concerts in the North Tahoe Regional Park. She updated the Board on current projects the department is working on including a new kiosk for fee collection and tennis court sealing at the regional park. Ms. Towner noted that staff is being trained for boat inspections required for operating the boat launch at the Tahoe Vista Recreation Area. Launching is expected to be feasible through the month of June.

Planning and Engineering Department Report

Contracts and Planning Coordinator Gibbons advised the Board that the department will be filing a Notice of Completion for work done for the Dollar Pump Station Rehabilitation (#1412). She provided a sample letter sent to Brook Avenue property owners regarding sewer lateral relocations required no later than September 1, 2015. Ms. Gibbons addressed a recent action taken by Lahontan Regional Water Quality Control Board to lift a ban on the use of pesticides and herbicides throughout the entire Lahontan Region. It is anticipated that pesticides/herbicides will be used on the invasive species growth of milfoil in the Tahoe Keys, with Contracts and Planning Coordinator Gibbons stating that currents in the lake could bring the pesticides/herbicides to north shore lake water in just a few days.

Utility Operations Department Report

Utility Operations Manager Begin expressed concerns about a boat tied to a buoy and floating over the water intake line in Tahoe Vista. He is utilizing Tahoe Regional Planning Agency (TRPA) ordinances to have the boat moved away from the intake line. He addressed repairs needed at the Carnelian Main Pump Station.

OLD BUSINESS

Base Facilities Update

General Manager Schultz advised the Board that a Request for Proposals has been prepared for the Base Facilities Project and is scheduled to be published on Friday, May 16th. The ad hoc Building Committee met and requested that bidding contractors be requested to hold their bids for an extended period. Staff did not recommend including this requirement because they believe that it will adversely affect the bid amounts. Field work for the TRPA Land Capability Verification is being completed for the Base Facilities site. Construction Coordinator Butterworth stated that he has reviewed the plans and has found them to be thorough, although they require further coordination between the civil and electrical/mechanical work. He is awaiting the structural plans. He specified that the District will not provide an engineer's estimate for the project to prospective contractors. Director Thompson requested a full set of plans and specifications when available.

GENERAL MANAGER/CEO COMMENTS

General Manager Schultz stated that the Lucity management system presentation requested by the Board would be presented by IT Manager Emmerich in July. He also stated that the LAFCO Ballot for election of a Special District Representative included in correspondence requires action by the Board.

BOARD OF DIRECTORS COMMENTS

Director Thompson noted that several corrective documents were distributed at the beginning of the meeting and requested that all documents associated with the Board packet be delivered at least 72 hours prior to the meeting to give the Board time to review the materials. Director Daniels requested that a letter be written to the Sierra Sun to thank the community for their support at the Town Hall Meeting held on March 20th. Staff noted that they are working with the State to develop a right of entry agreement for the North Tahoe Event Center, and that the letter to the newspaper would be written after reaching an agreement for the right of entry. President Lewis advised that Tahoe Truckee Sanitation Agency is actively working on the Truckee River Interceptor and digital scanning of the sewer main near Alpine Meadows. He thanked staff for their recent work.

CORRESPONDENCE

Letter from Rotary Club of Tahoe City requesting a 40% Discount on Nonprofit Rates for Rental at the North Tahoe Event Center

The Board directed staff to work with the Rotary Club to establish further parameters and anticipated frequency of future events to determine the District's actual costs for the room rentals before offering further discounts on the adopted nonprofit rates.

Request for Use of Lakeview Suite for Friends of Kings Beach Library Fundraiser

MOTION: Director Bergmann moved to allow use of the Lakeview Suite to Friends of the Kings Beach Library for its fundraiser scheduled for the evening of May 22nd. Upon second by Director Daniels, the motion carried unanimously (4-0) with Director Ferrell absent.

Placer County LAFCO Ballot for Special District Representative

MOTION: Upon motion by Director Bergmann and second by Director Thompson, the Board voted unanimously (4-0) with Director Ferrell absent, to vote for Susan Daniels from the North Tahoe PUD as Special District Representative of Placer County LAFCO. Action taken was certified by President Lewis on the official ballot.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:56 p.m.

Marianne J. Potts
Board Secretary