

**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, June 9, 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, June 9, 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 1:00 p.m. and identified items for discussion listed below before adjourning to Closed Session. General Manager Whitelaw and Counsel Morris were in attendance during Closed Session.

CLOSED SESSION AGENDA

Pursuant to Government Code, the Board of Directors discussed the following items:

1. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION. Initiation of Litigation pursuant to paragraph (4) subdivision (d) of Section 54956.9. One case.
2. CONFERENCE WITH REAL ESTATE NEGOTIATOR – Property Description: Gentry Property APNs 111-010-013, -014, and -015. District Negotiator: General Manager Whitelaw. Negotiating Parties: Liberty Utilities. Under Negotiation: Terms of Agreement.
3. CONFERENCE WITH LABOR NEGOTIATORS – Discussion pursuant to Section 54957.6. District Negotiators: General Manager Whitelaw and Chief Financial Officer Marple. Under Negotiation: IUOE Local 39 Memorandum of Understanding for Classified Employees.

OPEN SESSION/PLEDGE OF ALLEGIANCE/REVIEW AGENDA

President Lewis reconvened to Open Session to order at 3:07 p.m. The full Board was present. President Lewis reported that no action was taken in Closed Session.

Staff in attendance included General Manager Whitelaw, Chief Financial Officer Marple, Park and Facilities Manager Towner, Engineering and Operations Manager Stelter, HR/Risk Manager Lazzareschi, Contracts and Planning Coordinator Gibbons, Construction Administrator Butterworth, IT/Public Information Administrator Emmerich, and Executive Assistant/Board Secretary Potts.

Director Daniels led the Pledge of Allegiance. The agenda was reviewed and no changes were made.

TIMED ITEM:

3:10 p.m. EMPLOYEE SERVICE AWARDS

- Steve Risko – 30 Years
- Jared Butterworth – 5 Years

Park and Facilities Manager Towner described Mr. Risko's contributions to the District over the past thirty years, and Engineering and Operations Manager Stelter discussed

Mr. Butterworth's contributions over the past five years. General Manager Whitelaw congratulated the employees, and President Lewis thanked both employees for their service to the District on behalf of the Board and presented them with a service award commemorating their years of service.

3: 15 p.m. PUBLIC FORUM:

New Tahoe Truckee Sanitation Agency (TTSA) General Manager Larue Griffin introduced himself to the Board of Directors and all those present. The Board welcomed him and advised him that they look forward to working with him.

District resident Joe Huelle asked the Board to do something different, look for savings within the District's operations, and not to increase rates.

District resident Sarah Coolidge read a statement thanking the Board for their discussion in May regarding a possible change to the District's election process from "by seat" to "at large".

District resident Randy Hill also thanked the Board for their discussion regarding the election process and advised them that the change should be instituted soon as it may take several months.

President Lewis advised Ms. Coolidge and Mr. Hill that staff was performing public outreach for public input on the process after which they intend to consider the election process and public input on the matter.

There being no further members of the public present to address the Board at this time, Public Forum was closed at 3:25 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 in the amount of \$568,171.80 and Payable in the amount of \$149,484.31, with conflicts for Director Bergmann in the amount of \$456.71, for the period from May 12, 2015 through June 8, 2015.
2. Approve Minutes of the May 12, 2015 Regular Board Meeting and Special Meetings held April 29, 2015, May 5, 2015 and May 21, 2015.
3. Award Bid and Authorize General Manager to Execute Agreement for Replacement of Asphalt Concrete in Various Locations.
4. Adopt Resolution 2015-09 Authorizing Records Destruction of listed records per the District's Records Retention Policy.

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

MANAGEMENT TEAM INFORMATIONAL UPDATES

General Manager/CEO Report

General Manager Whitelaw discussed public outreach for the public regarding street lights, noting a timed item to be agendaized for July's meeting seeking public input regarding the lights being turned off with a target date of August 1st to do so. He also

noted that Greg Locher of John Sutak Risk Services would be present at July's meeting to discuss the District's liability insurance and other coverages for the 2015-2016 Fiscal Year. He discussed resurrecting an old Joint Powers Agreement with Tahoe City Public Utility District (TCPUD) for recreation stating that he is working with the TCPUD to develop a new JPA between the two Districts for recreation and facilities.

Accounting Department Report for April 2015

a. Monthly Financial Statement

b. Treasurer's Report

Chief Financial Officer Marple presented the District's financial statement and Treasurer's report through the month ending April 2015. He noted that salaries were under budget through April due to several vacancies throughout District departments. The Treasurer's Report was reviewed.

Park and Facilities Department Report

Park and Facilities Manager Towner noted progress on wayfinding signage. She stated that the regional park signage upgrade will begin in August utilizing North Lake Tahoe Resort Association grant funding. Ms. Towner discussed irrigation at District facilities, and the reduction in water use for the Tahoe Vista Recreation Area which she stated will only occur if the native plants show signs of stress. She advised the Board regarding the discussion the Recreation and Parks Commission will be holding at its June meeting regarding the background for public outreach regarding the Recreation and Parks Department's funding needs.

Planning and Engineering Department Report

Contracts and Planning Coordinator Gibbons presented her report discussing the upcoming move from the current administrative and operations buildings to the new base facility, expected to take place in late July or early August. She discussed the District's water conservation and enforcement via customer contact by letter, phone call, and door to door. Ms. Gibbons noted there had been relatively few violations requiring contact, and of the nine violations reported by neighboring customers or observed by District staff, only two letters were required regarding the reported violations.

Utility Operations Department Report

Engineering and Operations Manager Stelter presented the Utility Operations Department Report updating the Board on the work being performed associated with the Kings Beach Commercial Core Project. He also stated that the work being done by the Closed-Circuit Televising (CCTV) contractor was extremely useful to the operations crews in the performance of preventative maintenance.

The water production charts included in the June packets showed a reduction in water use of 35% through May 2015 which exceeded the amount of 28% required of the District by the State.

The Kings Beach Water Storage Tank was discussed relative to storage and use of electricity for pumping at a lower rate during nonpeak hours. President Lewis advised that Liberty Energy would perform an assessment to evaluate the pumping systems at no cost to the District and recommended that staff look into obtaining this evaluation. Director Daniels noted that increased savings by pumping during nonpeak periods was a focus of the tank project.

4:00 p.m. PUBLIC HEARING FOR ADOPTION OF 2015-2016 FISCAL YEAR BUDGET

Chief Financial Officer Marple presented the budget for the upcoming year, asking the Board for direction on how the District moves forward. He recommended a policy addressing operating deficits and depreciation. General Manager Whitelaw stated that the funding level for recreation and parks needs to be addressed for the long term, but for the next year, he requested either a bridge loan to the recreation department, or a property tax transfer for fiscal year 2015-2016 while the District looks at establishing increased Community Facilities District funding or a decision on the use of property tax in support of the department.

The budget for the sewer and water departments included a 6% increase for the upcoming fiscal year for operations costs, with the inclusion of two additional full-time equivalents for the Utility Operations Department.

Additionally, the budget included funding for a public outreach position, and a consultant to perform a Recreation needs assessment.

The Board members provided recommendations for bridging the financial needs of the Recreation and Parks Department for the 2015-2016 Fiscal Year.

Director Daniels recommended a transfer from sewer reserves to cover the Recreation and Parks budget through June 2016.

Director Ferrell stated that it should be called a loan. He also recommended that the loan from sewer reserves to the Recreation Department be paid back through a \$25,000 annual reduction of the funding provided to the Boys and Girls Club of North Lake Tahoe if efforts to pass a CFD did not work.

District resident Joe Huelle interjected that he does not believe in consultants and that recreation is not a necessary cost.

Director Thompson responded to Mr. Huelle stating that he was elected to represent all the people within the District and that there are many who feel differently, and that he will vote in the way that he feels represents the majority. He believes that recreation is important to the community members and supports a loan to the Recreation and Parks department from sewer reserves.

Director Daniels stated that she agrees with Director Thompson. She stated that if the needs of the Recreation and Parks Department are not met, the District would have to turn to private industry to run the facilities. She noted the financial benefits of recreation facilities to the local property owners and businesses, including lake access, the North Tahoe Regional Park, and the Event Center. She stated that the District needs to know what the public is willing to pay for these amenities so that we can move forward with a funding plan.

Board consensus was to provide a bridge loan from sewer reserves to the Recreation and Parks Department in the amount of \$200,000 included in the budget for the 2015-2016 Fiscal Year, for one year only and to reassess the situation next year. All other

budget parameters were agreed upon as presented by Chief Financial Officer Marple earlier.

MOTION: Upon motion by Director Ferrell and second by Director Bergmann, the Board approved all budget parameters discussed during the meeting including the bridge loan to the Recreation and Parks Department in the amount of \$200,000; the addition of two full-time equivalent employees to the Utility Operations Department with a staffing review to be completed at the end of the summer season; a consultant to perform a needs assessment for the Recreation and Parks Department; and the addition of a position to perform increased public outreach. The motion carried unanimously (5-0).

Resolution 2015-06 Adopting the District's Annual Operating Budget for Fiscal Year 2015-2016.

MOTION: Upon motion by Director Daniels and second by Director Ferrell, the motion to adopt Resolution 2015-06 carried unanimously (5-0) by roll call.

Resolution 2015-07 Adopting the District's Annual Capital Improvement Program Budget for Fiscal Year 2015-2016.

MOTION: Upon motion by Director Daniels and second by Director Bergmann, the motion to adopt Resolution 2015-07 carried unanimously (5-0) by roll call.

Resolution 2015-08 Establishing the District's Annual Appropriations Limit for Fiscal Year 2015-2016.

MOTION: Upon motion by Director Ferrell and second by Director Daniels, the motion to adopt Resolution 2015-08 passed unanimously (5-0) by roll call.

TIMED ITEM

5:35 P.M. – TAHOE PUBLIC ART PRESENTATION

Marguerite Sprague, Program Coordinator for Tahoe Public Art, gave a presentation on public art in North Lake Tahoe, noting the importance of public art throughout the region and the world. The focus of the presentation was on the publicly chosen art for the roundabouts in Kings Beach recently created by the commercial core improvement project. Ms. Sprague noted that the art displays will be installed in 2016 after regulations for displays to be placed in roundabouts are approved by Caltrans.

OLD BUSINESS

Approve Change Order and Authorize Budget Adjustment for Settlement Basin Expansion in the amount of \$33,883.30 (#1408) and Removal of Contaminated Soil in the amount of \$79,482.70 (#1413)

Director Ferrell requested that staff check into grant reimbursement for costs of the project, and to keep costs separate from the rest of the project for future Environmental Improvement Project requirements.

MOTION: Upon motion by Director Thompson and second by Director Daniels, the motion to approve the change order and budget adjustment for the settlement

basin expansion and removal of contaminated soil at Base carried unanimously (5-0).

Award Bid and Authorize General Manager to Execute Agreement for the Kings Beach 500,000 Gallon Water Storage Tank Rehabilitation Project (#1510)

MOTION: Upon motion by Director Ferrell and second by Director Thompson to award the bid and authorize General Manager Whitelaw to execute the agreement for the Kings each 500,000 gallon Water Storage Tank Rehabilitation, the motion carried unanimously (5-0).

Tahoe Unleashed Dog Park Update

Park and Facilities Manager Towner advised that the dog park planning was moving forward steadily, however that because permitting for the park coincided with the parks maintenance building project in conjunction with the base facilities, it has not yet been completed. Ms. Towner stated that a topographical survey for the park was being completed within the next week which will allow the District to move forward with numerous related items including the engineering design and estimates for fencing, grading, an irrigation system, installation of electrical and lighting, location of turf and benches, restroom upgrades, signage and ADA paving and access.

Park and Facilities Manager Towner advised that Engineering and Operations Manager Stelter would be performing the design for the dog park. Director Thompson was anxious to move forward with selection of the type of fence. Pros and cons of farm fencing versus chain link were discussed. Director Ferrell suggested that staff to consider incorporating the ADA access ramp into the bike path to save on costs.

Planning and Contracts Coordinator Gibbons advised that the project, although perceived as simple, has to go through an adequate planning process to be successful.

NEW BUSINESS

Authorize General Manager to Execute Amendment to Tahoe Truckee Unified School District (TTUSD) Agreement for Field Maintenance

Park and Facilities Manager Towner advised the Board of recent negotiations with TTUSD staff to cover District expenses for field maintenance at the Kings Beach Elementary School ball field. Field maintenance has been performed by the District for many years with little or no reimbursement. She noted that this amendment is a first step to reimbursement of the District's expenses for field maintenance with the District receiving \$7,000 in year one, and \$10,000 in year two. The amendment will be renegotiated during the following year.

MOTION: Upon motion by Director Bergmann and second by Director Ferrell, the motion to authorize General Manager Whitelaw to execute an amendment to the TTUSD Agreement with the District for Field Maintenance carried unanimously (5-0).

**BOARD ORGANIZATIONAL MATTERS FOR JULY THROUGH DECEMBER 2015
Confirm/Set Time for Regular Board Meetings for July through December 2015**

After discussion, the Board reached a consensus to keep the date and time of the Board meetings the same as had been set in December of 2014 for the 2015 calendar year. Meetings will continue to be held on the second Tuesday of each month at 2:00 p.m. with the Open Session beginning at 3:00 p.m.

Confirm/Select Officers for July through December 2015

A discussion was held regarding changing officers for the Board of Directors.

MOTION: Director Thompson moved to nominate Director Bergmann for Board President. Director Daniels seconded the motion for further discussion. After a short discussion, the motion carried by roll call (3-2) with Directors Thompson, Ferrell, and Bergmann voting aye, and Directors Daniels and Lewis voting no.

MOTION: Director Thompson moved to nominate Director Daniels as Board Vice President. Upon second by Director Bergmann, the motion carried unanimously (5-0) by roll call.

MOTION: Upon motion by Director Daniels and second by Director Lewis, the Board voted by roll call to elect Director Thompson as Board Secretary. The motion carried (4-1) with Director Thompson voting no.

CORRESPONDENCE – Correspondence was reviewed.

1. Customer Correspondence to General Manager Whitelaw regarding District Newsletter
2. Special District Risk Management Authority Election Information

BOARD OF DIRECTOR COMMENTS

No comments.

ADJOURNMENT

There being no further business to come before the Board of the North Tahoe Public Utility District, President Lewis adjourned the meeting at 6:45 p.m.

Marianne J. Potts
Board Secretary