

**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, July 8, 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 Tuesday, July 8, 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 a 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 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.
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.

OPEN SESSION/PLEDGE OF ALLEGIANCE

President Lewis called Open Session to order at 9:30 a.m. The full Board was present. President Lewis reported that there was no action taken during Closed Session.

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

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 on unagendized subjects.

Public Forum was closed at 9:36 a.m. President Lewis reopened public forum at 10:25 a.m. at the request of a member of the public, Tahoe Vista Resident John Bush who expressed his interest in the District building a public swimming pool which he believed would benefit a wide sector of the public including kids, adults and the elderly. The Board referred the topic to the Recreation Commission for discussion. Public forum was closed after that comment at 10:30 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 June 10, 2014 through July 7, 2014
2. Approve Minutes of the June 10, 2014 Regular Board Meeting and June 26, 2014 Special Board Meeting
3. Adopt Resolution 2014-11 Authorizing Records Destruction per the District's Records Retention Policy
4. Authorize General Manager to Execute a Professional Services Agreement with Farr West Engineering for the Kings Beach Water Tank Rehabilitation Project
5. Authorize General Manager to File Notice of Completion for the Dollar Sewer Pump Station Rehabilitation Project (#1412)
6. Award Bid and Authorize General Manager to Execute Agreement with White Rock Construction, Inc. for the Canterbury Water Main Replacement Project Phase 1 (#1419)

Director Thompson requested to remove item #6 for discussion. He expressed concerns about the project cost being 10.6% over the engineer's estimate. Engineer Stelter responded that the two low bidders were very close to one another with a third bidder being considerably higher. He believes that costs may be higher due to the timing of the project. The item remained on the consent calendar.

Director Daniels requested to discuss consent calendar item #4. The Board discussion about the Farr West Engineering Professional Services Agreement (PSA) for the Kings Beach Water Tank Rehabilitation Project resulted in authorizing Task 1 (Detailed Design) and Task 2 (Bidding Assistance) with the other items (Engineering and Inspection Services during Construction, and Project Management) to be brought to the Board for approval after review by the Development and Planning Committee.

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

TIMED ITEM:

9:45 A.M. EMPLOYEE ANNIVERSARY AWARDS

- Will Stelter – 3 Years
- Anne Yeager – 5 Years
- Kim Ingstad – 30 Years

President Lewis thanked Mr. Stelter for his three years of service to the District, and cost saving efforts within the engineering department.

Chief Financial Officer Marple described Ms. Yeager's work within the accounting department, especially payroll and keeping the general ledger balanced. President Lewis presented Ms. Yeager with her service award, and complimented her on her pleasant demeanor and professionalism.

Park and Facilities Superintendent Ingstad was commended by the Board, with President Lewis presenting Mr. Ingstad with his 30 year service award, who acknowledged him for his professionalism and dedication to the District, stating that the community cannot thank him enough.

10:00 A.M. PUBLIC HEARING: Brook & Trout Water Main Abandonment and Water Service Relocations

Director Bergmann recused himself from this discussion due to a personal interest. Contracts and Planning Coordinator Gibbons presented details about the changeover from the existing water main, noting that the Board must establish a time frame for reconnection to the new water main per District Ordinance 361 adopted in 2006. Staff recommends giving customers two construction seasons for connection to the new water main on Brook and Trout in Kings Beach, and asked that property owners be given the date of September 1, 2016.

MOTION: Director Ferrell moved to establish a timeline of September 1, 2016 for private water service relocations as part of Brook and Trout Water Main Abandonment. Upon second by Director Thompson, the motion carried (4-0) with Director Bergmann abstaining.

MANAGEMENT TEAM INFORMATIONAL UPDATES

Accounting Department Report

a. Monthly Financial Statement for May 2014

b. Treasurer's Report

Chief Financial Officer Marple presented the Financial Statement and Treasurer's Report for May 2014. The Board discussed the North Tahoe Event Center, and Kings Beach State Recreation Area in particular. Director Bergmann noted that the District was proud to provide the area back to the State in good condition and had incurred a net loss of \$9,700 for eleven months of operation during Fiscal Year 2013-2014. Mr. Marple noted that a significant amount, \$3,397,000, had been spent on capital improvements to date in this fiscal year.

Park and Facilities Department Report

Park and Facilities Manager Towner advised the Board of recent work done by Parks staff. The beaches and park were busy during the weekend celebrating the 4th of July. She advised that a public meeting had been scheduled to address neighborhood concerns about the upcoming concert series as part of community outreach to lessen the impact on local residents. She also noted that the Recreation Commission met on June 23rd in order to discuss department financing and the current year's budget. Ms. Towner noted that parking revenues were high in the regional park over the holiday

weekend, and that she is working with Sierra Nevada College to establish the North Tahoe Regional Park soccer field as their home field.

10:15 A.M. TIMED ITEM: Public Hearing – Bid Protests regarding NTPUD Base Administration Facilities Proposals

Contracts and Planning Coordinator Gibbons introduced the topic noting that bids for the NTPUD Base Administration Facilities project had been opened on July 1st after which a bid protest was received from Younger General Contractors, Inc. (YGC) protesting the bid given by West Coast Contractors, Inc. (WCC) stating that they had not listed the fire sprinkler provider as required. WCC withdrew their bid subsequently because they had not included asbestos abatement. Additionally Geney/Gassiot Inc.(GG) protested bids from both YGC and WCC because asbestos abatement had not been included in either bid. The public hearing was offered for both bidders to present their concerns. Michael Scott of GG stated that asbestos abatement is a separate portion of the work on the building and the subcontractor should have been listed. Mark Younger stated that second tier contractors are not required to be listed, and that he had included asbestos abatement within Demolition of the buildings for which he listed Al Pombo of Truckee. He advised that Pombo would be utilizing a subcontractor for asbestos abatement for the work, thus it would be performed by a second tier subcontractor.

General Manager Schultz stated that the District would resolve the issues related to the bid protests. He will work with Counsel Eskind in order to come to the correct decision and allow the District to move forward with awarding the bid to the lowest responsive and responsible bidder at the next regular meeting on August 12th or a special meeting if necessary. President Lewis thanked both bidders for their input and presence, and closed the Public Hearing at 11:00 a.m.

MANAGEMENT TEAM INFORMATIONAL UPDATE

Planning and Engineering Department Report

Engineer Stelter presented his department's report to the Board discussing projects including the Base Facilities, Dollar Force Main slip lining, and GIS integration. The rest of Mr. Stelter's report was postponed due to an 11:00 a.m. public hearing.

11:00 A.M. PUBLIC HEARING:

President Lewis opened the Public Hearing at 11:00 a.m.

- a. Adopt Resolution 2014-09 of the Board of Directors of the North Tahoe Public Utility District Authorizing the Levy of a Special Tax within Community Facilities District 94-1 for Fiscal Year 2014-2015

MOTION: Director Daniels moved to adopt Resolution 2014-09 authorizing the levy of a special tax within Community Facilities District 94-1 for Fiscal Year 2014-2015. Upon second by Director Bergmann, the motion carried unanimously (5-0) by roll call vote.

- b. Adopt Resolution 2014-10 of the Board of Directors Authorizing the Annual Lien Action for Delinquent and Unpaid Sewer and Water Charges

MOTION: Director Daniels moved to adopt Resolution 2014-10 authorizing annual lien action for delinquent and unpaid sewer and water charges. Upon second by Director Thompson, the motion carried unanimously (5-0) by roll call vote.

President Lewis closed the Public Hearing at 11:15 a.m.

11:15 A.M. TIMED ITEM – Lucity/GIS Presentation

Systems Engineer Berry and IT/Public Information Administrator Emmerich provided a power point presentation to the Board of Directors and discussed the progress being made within the District to coordinate its asset management program, Lucity, and GIS. It will be an ongoing process, but progress is being made which will allow for greater efficiency and more accurate field locations in the near future.

11:45 A.M. TIMED ITEM – Senate Bill 832 Discussion

Community member Regina Straver was present for the discussion regarding Senate Bill 832 introduced by Senator Ted Gaines. She read a letter from community member Dave Polivy which she said expressed her views as well, asking the District to advise the public about the bill, why it was withdrawn, and why the District encouraged the local community to attend the Town Hall Meeting held by Senator Gaines. President Lewis stated that the public meeting would not have been held had the District known that the matter of the State taking over operations of the Kings Beach State Recreation Area (KBSRA) had been decided. The District was unaware that Placer County had executed contracts with the State to utilize one third of the parking on the east end of the parking lot for construction staging, effectively making the District unable to afford operations and maintenance of the facility. Director Daniels stated that she agrees with Ms. Straver that the District needs to present its perspective and advise the public of what happened. Director Bergmann interceded with a history of the District's operation and management of the Event Center stating that thirty years ago, Senator Biz Johnson saved the old Kings Beach Bowl building from destruction and gave it to Placer County who contracted with the District to manage it. When the 30 year agreement for the KBSRA ended eight years ago, the District began working to execute a subsequent agreement for an additional 30 years. The District sought help from Senator Gaines to help us obtain an agreement for the good of the local community. Counsel Eskind noted that Senator Gaines' help and the voice of the community improved communications with the State, and that the District is continuing to work to negotiate a right of entry agreement which will provide parking for the Event Center during the winter months. Park and Facilities Manager Towner noted that a second agreement for use of the terrace is also being negotiated with the State. Ms. Straver thanked the Board for providing this information.

MANAGEMENT TEAM INFORMATIONAL UPDATES

Planning and Engineering Department Report

Engineering and Operations Manager Stelter continued his department report. Mr. Stelter advised that he is designing the Parks Maintenance Shed to be placed in the regional park which will replace the sprung structure which they are giving to Operations for parts and supplies in conjunction with the replacement of base facilities. He commended Lead Water Quality Technician Ken Fischer for his work with the Brockway Springs Homeowners Association to resolve the backflow issues at that complex, and all parcels now satisfy the District's requirements. Director Daniels requested that

correspondence clarifying the changes made at Brockway Springs be sent to the Board of Realtors.

Utility Operations Department Report

Engineering and Operations Manager Stelter updated the Board of recent work performed by District crews, noting a significant number of water leaks and Underground Service Alert (USA) locations.

NEW BUSINESS

Authorize General Manager to Execute Agreement with Placer County for Use of Park Dedication Fees for Construction of a Dog Park at North Tahoe Regional Park

MOTION: Director Daniels moved to authorize General Manager Schultz to execute the agreement in the amount of \$232,713 with Placer County for use of Park Dedication Fees to construct a dog park at the North Tahoe Regional Park. Upon second by Director Thompson, the motion carried unanimously (5-0).

Authorize General Manager Schultz to Execute Agreement with PR Entertainment Inc. for Concerts in the North Tahoe Regional Park

MOTION: Upon motion by Director Thompson and second by Director Bergmann, the Board voted unanimously (5-0) to authorize General Manager Schultz to execute an agreement with PR Entertainment Inc., subject to review by Counsel, for a concert series in the North Tahoe Regional Park.

Authorize General Manager and Board President to Execute an Agreement with Placer County for a Greeter at Speedboat Beach during the Summer of 2014

Park and Facilities Manager Towner explained the county's request to provide a beach attendant at Speedboat Beach during the summer months for which the county would reimburse the District for all expenses.

MOTION: Upon motion by Director Daniels and second by Director Ferrell, the Board voted unanimously (5-0) to authorize the General Manager and Board President to execute an agreement with Placer County for a greeter at Speedboat Beach.

GENERAL MANAGER/CEO COMMENTS

General Manager Schultz thanked the Board for their time and consideration given to items presented to them at the meeting. He advised of the notice from Placer County presented in correspondence regarding the need to file their Form 470 by July 31st.

BOARD OF DIRECTORS COMMENTS

Director Bergmann thanked General Manager Schultz and Counsel Eskind for their help in researching the protests regarding the base facilities project. Director Daniels thanked the Park and Facilities, and Event Center staff for their hard work over the busy 4th of July weekend. President Lewis thanked staff for their work over the past month, noting that he often receives compliments on staff's professionalism. He especially thanked Contracts and Planning Coordinator Gibbons for her efforts.

CORRESPONDENCE

The following correspondence was presented in the Board packet.

1. Correspondence from Placer County Office of Elections regarding Filing Deadline for Semi-Annual Campaign Statements (Form 470) for January 1, 2014 through June 30, 2014
2. Placer County LAFCo Staff Report regarding Budget for Fiscal Year 2014-2015
3. Correspondence from Senator Gaines office regarding Senate Bill 832
4. Correspondence regarding NTPUD Base Administration Facilities Bid Protest
 - a. Younger General Contractors, Inc. Bid Protest
 - b. Genet/Gassiot, Inc. Request for Legal Determination
 - c. West Coast Contractors of NV, Inc. Bid Protest Responses

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:45 p.m.

Marianne J. Potts
Board Secretary