

**MINUTES OF SPECIAL MEETING OF THE
NORTH TAHOE PUBLIC UTILITY DISTRICT
BOARD OF DIRECTORS
North Tahoe Event Center
8318 North Lake Boulevard, Kings Beach, CA 96143
Monday, July 28, 2014**

CALL TO ORDER/PLEDGE OF ALLEGIANCE

A Special Meeting of the North Tahoe Public Utility District Board of Directors was held at the North Tahoe Event Center in Kings Beach, California on Monday, July 28, 2014. Present at the meeting were President Lewis, Directors Bergmann, Daniels, Ferrell, and Thompson, comprising the full Board and establishing a quorum.

President Lewis called the meeting to order at 4:05 p.m. Director Ferrell led the pledge of allegiance.

Present at the meeting were General Manager Schultz, Engineering and Operations Manager Stelter, Contracts and Planning Coordinator Gibbons, Construction Administrator Butterworth, Chief Financial Officer Marple, and Board Secretary Potts. Counsel Eskind was also present.

PUBLIC FORUM

General Manager Schultz advised the Board that Park and Facilities Superintendent Ingstad had retired. President Lewis asked that the Board be informed of any celebration for Mr. Ingstad's retirement so that they could attend. No other public comments were made, and Public Forum was closed.

North Tahoe Public Utility District Base Administration Facilities Project (#1408 and #1413)

Director Daniels reviewed the letter presented at the meeting from Geney/Gassiot, Inc. (GG) and asked Counsel Eskind if the assertions set forth in the document created an unfair advantage to Younger General Contractors, Inc. (YGC) to which Mr. Eskind responded that he did not believe it did. Director Bergmann confirmed with Counsel and General Manager Schultz that the bid documents were tight, and that there would not be a change order for asbestos abatement if awarded to YGC. Mr. Eskind stated that he reviewed the bid documents given to the contractors, and that asbestos abatement had been clearly provided for within the documents as part of the demolition of the buildings. He made a specific note of Sheet C-2 of the project plans that indicates that demolition of the buildings will follow the recommendations included in the demolition survey completed by the District in 2011 which determined the need for and extent of asbestos abatement required. He also confirmed that the District is bound to award to the lowest bidder and that the District must accept the bids at face value. President Lewis asked Counsel Eskind if he had changed any determination since writing his opinion on July 14th regarding the bidding questions. Mr. Eskind stated that no new information had been presented to change his opinion that the task of demolition of the District structures includes asbestos demolition (abatement) within the structures, and that should YGC choose to leave their bid intact, it is valid. Counsel Eskind went on to state that the District is bound by the Public Contract Code, and all documents are complete. He noted that West Coast Contractors, who withdrew their

bid subsequent to bidding, had listed Al Pombo as a subcontractor for Earthwork and Paving, while YGC listed Al Pombo as Demolition which would include asbestos abatement.

Michael Geney of GG thanked the Board for their patience and said it was highly unusual to enter into a conflict of this nature. He restated that since asbestos was not included in the YGC bid at the time it was made, he feels it created an unfair advantage.

Mark Younger disagreed with Mr. Geney's comments, and stated that asbestos is included in the YGC bid under Demolition. Mr. Younger stated that he has been performing this type of work including demolition with asbestos abatement since before there was a special certification required. He suggested that the Board check his references for recommendations if they have any concerns with the thoroughness of YGC's bid for the project.

MOTION: After a short discussion, Director Ferrell moved to award the bid for the NTPUD Base Administration Facilities Project to Younger General Contractors, Inc. Director Bergmann seconded the motion. The motion was tabled for further discussion.

Director Thompson requested that the budget adjustment required to proceed with the project be voted upon prior to the award of the building.

Board discussion followed. Director Thompson stated that as a contractor he feels that the plans and specifications for the project are not accurate or complete, and that five major addendums were issued for items not included in the original bid documents for items pointed out by the contractors bidding on the project. He stated that the cost has changed and increased throughout the process, and even since the last Board meeting with ancillary items increasing \$25,000. Director Ferrell asked for clarification of his concerns about the cost of the building, and stated that he is not convinced that the cost of the building will remain at \$4 million, but believes that the District should proceed with the project. President Lewis stated that he believes the bid cost is very close to the \$3.5 million estimate provided by the District's consultants, Clark and Sullivan, and he is comfortable with awarding at this time.

Approve budget adjustment for the replacement of NTPUD Base Administration Facilities Project (#1413)

MOTION: Director Daniels moved to authorize the budget adjustment requested based on the lowest responsive and responsible bidder with a 5% contingency and ancillary items. Upon second by Director Ferrell, the Board voted (4-1) by roll call with Director Thompson voting no.

Consider award of bid and authorize General Manager to execute agreement with lowest responsive and responsible bidder for the replacement of NTPUD Base Administration Facilities Project (#1408 and #1413).

MOTION: Director Ferrell restated the motion he made earlier in the meeting to award the bid to Younger General Contractors, Inc. Upon second by Director Bergmann, the motion carried unanimously (5-0) by roll call.

ADJOURNMENT

President Lewis thanked the contractors for being at the meeting, and thanked Geney/Gassiot, Inc. for their bid. Director Bergmann thanked the ad hoc Building Committee, especially Director Thompson for their many hours of work reviewing the plans for the project. There being no further business to come before the Board, the meeting was adjourned at 5:05 p.m.

Marianne J. Potts
Board Secretary