

**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, August 11, 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, August 11, 2015. Present at the meeting were President Bergmann, Directors Lewis, Ferrell, Thompson, and Daniels, comprising the full Board and establishing a quorum.

OPEN SESSION/PLEDGE OF ALLEGIANCE/REVIEW AGENDA

President Bergmann reconvened to Open Session to order at 2:00 p.m. The full Board was present.

Staff in attendance included General Manager Whitelaw, Engineering and Operations Manager Stelter, Contracts and Planning Coordinator Gibbons, Construction Administrator Butterworth, Tech & Public Information Administrator Emmerich, and Executive Assistant/Board Secretary Potts.

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

TIMED ITEMS:

2:05 p.m. EMPLOYEE SERVICE AWARDS

- *Mark Begin – 35 Years*

Engineering and Operations Manager Stelter commended Mark for his work with the District, citing Mark's intimate knowledge of the sewer and water systems, and his extraordinary problem solving abilities. President Bergmann thanked Mark on behalf of the Board for his longstanding service to the District. President Bergmann presented Mark with a service award commemorating his 35 years of service.

MANAGEMENT TEAM REPORTS AND INFORMATIONAL UPDATES

TAHOE-TRUCKEE SANITATION AGENCY (T-TSA) Report

Director Lewis addressed recent topics related to the District discussed at the T-TSA meetings. He noted that the T-TSA Board voted unanimously to replace the sewer transport line allowing for an increased carrying capacity for the Truckee River Interceptor. The project cost is estimated to be \$3 million. General Manager Whitelaw advised the Board that he is planning a tour of the T-TSA Facilities for the Board sometime during the fall. Director Lewis urged all Board members to attend.

2: 15 p.m. PUBLIC FORUM:

District resident, Carolyn Pretzer thanked the District for the pocket park at the Tahoe Vista Recreation Area (TVRA) on National Avenue where she holds an informal reading group during the summer directed toward children who are challenged by reading skills. She thanked Public Information Administrator Emmerich for her presentation to the group about water conservation, and stated that Ms. Emmerich had done an excellent job getting the kids excited about saving water. She also asked the District for

increased signage and enforcement for dogs on the beach at TVRA. General Manager Whitelaw recommended that the District request increased patrol of our beaches.

District Concessionaire, Kevin Hickey noted that he had parking fee envelopes for the TVRA and had been providing them to individuals requesting them.

District resident, Joe Huelle recommended that the District establishes term limits for its Directors. President Bergmann noted that changes to the election process, i.e. election at large versus by seat and term limits, would be discussed at the October meeting after seeking public input as previously directed.

District resident, Kevin McDermott asked the District to determine any deed restrictions placed on the property where the dog shelter is located and if the District can take ownership since the shelter is closing. He also thanked the District for re-establishing the Recreation and Parks Commission. He also discussed concerns about the disc golf course relative to the ropes/challenge course being considered for the Regional Park. He added that Recreation and Parks Commissioner Jake McDermott has been involved in the ropes/challenge course process and has been advising of alternatives for several holes on the disc golf course, stating that he has been in touch with Craig Getty who originally designed the course. He would like to see the District add another 18 holes by working with the US Forest Service to gain access to lands surrounding the Regional Park. Mr. McDermott added that he does believe in hours in which dogs are allowed at the area beaches and does not believe enforcement should be increased. He believes that the District provided an increased level of maintenance over the State now managing the beaches. He also commended Park & Facilities Manager Towner for her tireless work and efforts on behalf of the Recreation and Parks Department.

Public Forum was closed.

CONSENT CALENDAR: The following consent calendar items were presented for approval. Director Bergmann noted his specific conflicts with accounts paid and payable, and a correction to the July 14th meeting minutes incorrectly citing Director Lewis as President.

1. Approve Accounts Paid and Payable for the period from July 14, 2015 through August 10, 2015
2. Approve Minutes of the July 14, 2015 Regular Board Meeting and Special Meeting held July 20, 2015
3. Authorize General Manager to Execute Task Order 005 with Black and Veatch for the National Avenue Water Treatment Plant Improvements Phase 2 (#1220)
4. Authorize General Manager to File Notice of Completion for the Dollar Hill 22" Force Main Rehabilitation Project (#1407)

MOTION: Vice President Daniels moved to approve the Consent Calendar noting Director Bergmann's accounts paid and payable conflicts and the correction needed to the minutes of July 14th. Upon second by Director Thompson, the motion carried unanimously (5-0) by roll call.

MANAGEMENT TEAM INFORMATIONAL UPDATES

General Manager/CEO Report

General Manager Whitelaw updated the Board on recent work, and discussed highlights from his report. He noted that the Ropes/Adventure Course agreement would be brought to the Recreation Committee before consideration at next month's Board meeting. He advised that although the trim for the new administrative building is still being looked at by the ad hoc building committee, staff would be moving into the new offices during the following week.

Technology and Public Information Administrator Report

Technology and Public Information Administrator Emmerich provided her report focusing on the work being done to facilitate the move into the new administrative building. She advised how the emergency system will work during the move. Ms. Emmerich updated the Board on water conservation outreach to local restaurants. She also advised the Board about the election format outreach being performed by way of a survey which closes on September 15th from which she will gather results and report back to the Board at its October meeting.

Accounting Department Report for June 2015

a. Monthly Financial Statement

b. Treasurer's Report

In the absence of Chief Financial Officer Marple, General Manager Whitelaw presented the District's financial statement and Treasurer's report for the year ending June 30, 2015. The financial statement and Treasurer's Report were reviewed and discussed briefly. General Ledger Accountant Yeager was present to respond to any questions as needed.

Park and Facilities Department Report

General Manager Whitelaw provided an update on recent projects within the Park and Facilities Department. He advised that grubbing was being completed along the fence line for the dog park in the North Tahoe Regional Park, and advised that Pam Berger of Dog Day in the Park was receiving bids on the fence to be installed.

Recreation and Parks Commission Update

Recreation and Parks Commission Vice President, Jake McDermott addressed the Board updating them on recent projects and topics discussed by the Commission. Mr. McDermott stated that the Commission was happy to be involved in new leagues like bocce ball. He noted that he was on the vetting committee for the ropes course, and although there were concerns about several of the disc golf holes, he was working with staff to establish areas for new holes. He advised of the Commission's desire to have another joint workshop with the Board. The plan for the dog park fencing and gates was discussed. Engineering and Operations Manager Stelter advised that the plan had been executed based on input from Park and Facilities Manager Towner with ease of maintenance in mind for Park staff. Director Thompson offered to volunteer at the site as needed.

Planning and Engineering Department Report

Engineering and Operations Manager Stelter thanked the Board for working with staff to take part in a valuable and cost effective system upgrade of the Brockway Vista water line project. He advised that the draft plan for invasive species control has been published, and advised that District staff will be reviewing and providing comments. Mr. Stelter noted that the District is part of a committee to monitor the plan as part of the

Tahoe Water Suppliers Association. He acknowledged Maintenance Technician Crew Chief Mike Thornton for completion of the Operating and Maintenance Manual for the National Avenue Water Treatment Plant which incorporated all upgrades completed over the last nine years, in addition to the Lucity management system. Mr. Stelter commended Mr. Thornton for taking ownership of the project and doing so in-house.

Utility Operations Department Report

Utility Operations Manager Begin provided his report to the Board about recent activities within the Operations department. A discussion focused on a line replacement needed in Tahoe Vista from Captain Jon's to the Holiday House. The existing clay line does not have the right fall, and has two protruding services which are creating callouts due to blockages. Mr. Begin stated that the District should flag those properties to advise property owners of the necessity for pumping to the main.

TIMED ITEMS:

4:00 P.M. DISCUSSION REGARDING CONSOLIDATION AND/OR FORMATION OF A COMMUNITY SERVICES DISTRICT – Presentation by Randy Hill

District Resident, Randy Hill thanked the Board for providing the time for his presentation and a discussion. His presentation, which was a Power-Point presentation, was included in the August materials. Mr. Hill began his presentation with information regarding Community Services District (CSD) law which was established in 2006 which states that consideration for a CSD can be initiated upon a petition signed by 10% of voters, or upon passage of a resolution of application to Local Area Formation Commission (LAFCO) by the special districts involved.

The CFD Mr. Hill was proposing for consideration includes the North Tahoe Public Utility District, the Tahoe City Public Utility District and the North Tahoe Fire Protection District. His presentation included the powers of a CFD and noted that they included all powers granted to a city with the exception of land planning. He asked for financial support for a study which would assess the potential public benefit of CSD formation. The study is expected to cost from \$50,000 to \$100,000. He also recommended forming a CSD Review Committee which would consist of representatives from each of the Boards and citizens of the Districts to start the process, and stated that it is incumbent upon the Board members to proceed selflessly.

After the presentation, several members of the public were present to ask questions and provide input. The first question was from District resident Joe Huelle who asked who would pay for the study needed to assess the benefits of a CSD. Mr. Hill responded that the cost would be shared equally by the three entities involved.

District resident Dan Daniels expressed concerns over the financial differences of the two utility districts, specifically debt held by the entities. Mr. Hill noted that the financial status of all the entities would be one of the items to be considered within the study with a recommendation to be made regarding how to treat all agencies fairly.

District resident Ellie Waller asked if the District is required to pay for the study, and Director Daniels asked if it would be allowed to do so. Director Lewis responded that the District can agree to fund the study, however it cannot advocate a move for or against consolidation or CSD formation, and a citizens review committee would have to be formed to proceed. Director Lewis also stated that he would like to see increased

community input, and that previously the District had allocated funds for a study only after public interest was determined.

District resident Dave Ferrari believes that it is worth looking at and believes doing so could provide economies of scale. He responded to Mr. Daniels concerns about debt, and stated that the taxpayers from different areas would absorb the debt from the District they were in. It was further discussed that this would be looked at within the study and no specifics could be decided without analysis.

Director Lewis recommended that interested parties review the consolidation study which was completed in the mid-1990s. He advised that it contained valuable information gathered by a citizens committee reviewing the combining of the two utility districts being considered at that time.

District resident Emilio Vaca commented that the study done twenty years ago is a historical document, and as a resident and taxpayer he wants to consider the future not the past. He stated that a consultant could provide pros and cons for the process.

Mr. Hill reiterated that a Resolution of Application to LAFCO would give permission to the Districts to begin the analysis for CSD formation without having to get the 10% of voter approval otherwise required by LAFCO.

General Manager Whitelaw emphasized the importance of the three Boards meeting to discuss the scope of the proposed CSD before proceeding with any action to expend funds for a study. At that point, a Request for Qualifications could be sent out.

District resident Sarah Coolidge stated that the District is the local government, and that the Board needs to think about the future, not the past. She stated that as a CSD, the CSD could have more political influence similar to a larger entity.

Board President Bergmann polled the Board for their comments.

Director Ferrell stated that he thinks the formation of a CSD is a great idea, but he would like to see more public interest before committing funds for a study. Mr. Hill asked Director Ferrell how much public interest he would consider enough to move forward. Director Ferrell responded that he believed that 10% of the District's voters would show a significant interest on the part of the community.

Mr. Hill noted that if the committee was to go to the voters with a petition proposing the formation of a CSD and obtain 10% of the registered voters, he would not need the District to take action as it would be directed by LAFCO. Director Ferrell responded that should the committee be interested in obtaining funding, the District would consider doing so after sufficient public interest is determined.

Director Daniels stated that she agreed with Director Ferrell's position and would also like to see more public interest in moving forward before committing funds for a study based on the request of the several community members present at this meeting. She stated that if the Board could see the community support for the expenditure, they could make a decision to move forward with a study to begin the process at that time.

President Bergmann stated that if the local newspaper were present, he believed that it would generate more community input about the process. He stated that the District would like to hear from the public about what they want relative to the CSD process, and would like to put off making any decision about funding the study until further discussion and community outreach have taken place. He also asked General Manager Whitelaw to include this topic in the upcoming strategic planning workshop this Fall.

Three community members intervened during the Board's discussion. Mr. Vaca stated that the Board should tread carefully or he would ask that they obtain signatures of 10% of the registered voters for any expenditure considered in the future. He did not agree with the position to obtain 10% was a reasonable recommendation. Ms. Coolidge and District resident Theresa May Duggan both requested that the Board to make a decision at this time.

Director Thompson responded, specifically addressing Ms. Coolidge, stating that as a Board member, he is responsible to hear opinions from the public and to seek out community input on all matters open to discussion, after which he will vote what he believes to be in the best interest of the public. He stated that he believes that additional input from more community members is necessary before a decision can be made.

Director Lewis responded to Mr. Vaca that the Board is empowered to make decisions regarding expenditures without obtaining signatures of 10% of the voters. However, in this case, he believed that it is important that the public show interest before making any expenditure toward a CSD process, explaining that this is how the District proceeded in the mid-1990s. He recommended that interested parties review the consolidation study completed in 1994 which recommended consolidation, and requested that Board Secretary Potts provide a copy to the Directors for their review. Mr. Vaca responded that he did not feel a study performed 20 years prior had value at this time since 20 years ago, no one could predict what today's situation would be. Mr. Huelle intervened, advising that the parties interested in formation of a CSD do not know what the state of affairs will be 20 years from now either.

President Bergmann closed the discussion stating that he would like to discuss it further at a future meeting or workshop after more public interest has been determined, and after the other Districts hear Mr. Hill's presentation to consider the CSD process. Director Lewis stated that he believes it is necessary for the three Boards to meet to discuss this matter before any commitment for funding a study is considered. He summarized that staff could move forward with soliciting additional input via social media, the newspaper, and the District website after which the item could be agendaized and considered at a joint meeting of the three Boards.

5:00 P.M. - PUBLIC COMMENT REGARDING STREET LIGHTS WITHIN DISTRICT BOUNDARIES

At the July 14th Board of Directors Meeting, the Board heard public input regarding the streetlights within the District boundaries paid for by the District. General Manager Whitelaw stated that additional public outreach had been made since the July meeting, and staff is seeking direction from the Board. Jeff Matthews of Liberty Utilities was present to advise of the process necessary to cease the street lighting, and hear the discussion.

Peter Kraatz of Placer County's Department of Public Works stated that Placer County needs additional time to perform due diligence in the determination of lights that may be kept on and paid for by the County. He advised that lighting within the Kings Beach Commercial Core will be taken on by the assessment district associated with the core.

District residents present to comment on the lights included Larry Conway who is in favor of continuing the lighting program citing safety reasons, Ellie Waller who believes that although the lights are positive, the District should not be paying for them, and Peter Presbyslawski who recommended consideration of solar lighting to reduce costs. Mr. Matthews of Liberty Utilities advised that solar lighting is not an option offered for street lights.

The consensus of the Board was that street lighting is not in the District's mission, and although the lights are seen as beneficial for public safety on roadways and in high pedestrian traffic areas, and around the Kings Beach Elementary School, the District is not in the business of public safety and has no funding source for the street lights.

OLD BUSINESS

Consider Action regarding Street Lights within District Boundaries

MOTION: After the discussion, Director Thompson moved that the District stops paying for the street lights currently being paid for by the District. Upon second by Director Lewis, the motion failed (2-3) with Directors Ferrell, Daniels, and President Bergmann voting no.

Director Ferrell stated that the District has an obligation to get together with Placer County to allow for further discussion and an amicable solution. Director Daniels stated that she would like to wait for two months so that the County can determine which lights, if any, they feel should be kept on and paid for by the County.

MOTION: Director Lewis moved that the District stops paying for the lights in sixty (60) days. Upon second by Director Thompson, the motion failed (2-3) with Directors Ferrell, Daniels and President Bergmann voting no.

President Bergmann directed staff to place the street lights on the agenda for action at the October meeting, and General Manager Whitelaw advised that he will work with Mr. Kraatz to come up with a plan for moving forward.

Authorize Budget Adjustment, Award Bid, and Authorize General Manager to Execute Agreement for the Parks Maintenance Building (#1430)

The Engineer's estimate for the project was \$279,000. After receiving two bids for the project of which the lowest responsive and responsible bidder was DG Granade for \$500,000, staff recommended that the Board reject all bids for the Parks Maintenance Building. The Development and Planning Committee met on August 10th and concurred with the recommendation. Staff is continuing to look into alternatives.

The Board directed staff to consider use of the vacated Placer County Animal Shelter building adjacent to the District's base property for a maintenance building, and asked that their findings be brought to the Development and Planning Committee for review.

MOTION: Upon motion by Director Thompson and second by Director Daniels, the motion to reject all bids carried unanimously (5-0).

NEW BUSINESS

Authorize General Manager to Execute Agreement with Houston Magnani and Associates for 2015 Lobbying and Consulting Services

General Manager Whitelaw presented his recommendation for utilizing Houston Magnani and Associates for lobbying services.

MOTION: Director Ferrell moved to authorize General Manager Whitelaw to execute an agreement for lobbying and consulting services with Houston Magnani and Associates, and to review results and reconsider in six months. Upon second by Director Lewis, the motion carried unanimously (5-0).

Consider Proposal for Professional Services with Simon and Associates Consulting and Set date for Strategic Planning Workshop

Director Thompson believes that the proposal is a good idea to moving forward with strategic planning. President Bergmann believes that Katy Simon will provide excellent facilitation for the strategic planning and looks forward to working with her. Director Daniels is also looking forward to the workshop. Directors Ferrell and Lewis are against hiring a consultant and believe it can be done in-house without assistance.

General Manager Whitelaw stated that we will do our best to facilitate the meeting in-house if the Board does not choose to contract with Simon and Associates, however he is asking for assistance with the workshop. He stated that the money to be utilized would be well spent in order to get the most out of the process for strategic planning and recommended moving forward.

No date was set at this time for the workshop.

MOTION: Director Thompson moved to authorize General Manager Whitelaw to execute an agreement for professional services with Simon and Associates Consulting. Upon second by Director Daniels, the motion carried (3-2) with Directors Ferrell and Lewis voting no.

Appoint Nathan Chorey as Recreation and Parks Commissioner and Alex Mourelatos as Alternate as recommended by the Recreation and Parks Commission

MOTION: After a short discussion, Director Lewis moved to make the appointments of Nathan Chorey as Commissioner and Alex Mourelatos as Alternate Commissioner to the Recreation and Parks Commission. Upon second by Director Ferrell, the motion carried unanimously (5-0).

Amend HR/Risk Manager Job Description

General Manager Whitelaw presented an amended job description for the HR/Risk Manager which he stated is more closely aligned with the responsibilities of the position. The Personnel Committee reviewed the new job description and proposed salary and recommends the change. General Manager Whitelaw stated that the position is currently being paid approximately 30% below the 75th percentile, and had the greatest

discrepancy of any position at the District. This was brought to the District's attention by the salary study which was considered and reviewed during contract negotiations with IUOE Local 39.

MOTION: Upon motion by Director Ferrell and second by Director Lewis, the motion carried (4-0) with Director Daniels abstaining due to a conflict of interest.

CORRESPONDENCE

Correspondence thanking the District for Use of Event Center for Music on the Beach

Correspondence was reviewed by the Directors.

BOARD OF DIRECTOR COMMENTS

No comments were made.

ADJOURNMENT

There being no further business to come before the Board of Directors, President Bergmann adjourned the meeting at 6:00 p.m.

Marianne J. Potts
Board Secretary