

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

Tuesday, November 12, 2013

CALL TO ORDER/ESTABLISH QUORUM

The Regular Meeting of the North Tahoe Public Utility District Board of Directors was held on Tuesday, November 12, 2013 at the North Tahoe Event Center in Kings Beach, California. President Lewis called Closed Session to order at 8:00 a.m. Present were Directors Bergmann, Daniels, Ferrell, Thompson and President Lewis. The full Board was present establishing a quorum.

CLOSED SESSION AGENDA

Pursuant to Government Code, the Board of Directors held a closed session to discuss the following listed items. All references are to the Government Code.

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: Equal Employment Opportunity Commission (EEOC) Charge: Christopher Cannizzaro v. North Tahoe Public Utility District
3. 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
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: “Stoker Property” – APN 090-121-010, -011, -026, -027, 090-122-030, -031, -033, and -034. Agency Negotiator: General Manager Schultz. Negotiating Party: Joseph Huelle. Under Negotiation: Terms of Agreement
6. PERSONNEL EXCEPTION – Discussion pursuant to Section 54957. Under Discussion: Annual Review of General Manager/CEO Schultz

President Lewis called Open Session to order at 9:30 a.m. President Lewis reported that no action was taken by the Board during Closed Session, however proposed action on Item 6 was discussed. Director Daniels was directed to document the review and provide it to HR/Risk Manager Lazzareschi for Mr. Schultz’ personnel file.

NEW BUSINESS

Consideration of Annual Review of General Manager/CEO

MOTION: Director Daniels moved to give the General Manager a 3% wage increase (with annual COLA at the time it is granted to the Classified and Unclassified employees) and a \$10,000 performance bonus effective with the first pay period beginning after his review date of November 1st. Upon second by Director Ferrell, the motion carried unanimously.

PLEDGE OF ALLEGIANCE

Director Daniels led the Pledge of Allegiance.

In addition to the Board of Directors, staff in attendance included General Manager/CEO Schultz, Chief Financial Officer Marple, Parks and Facilities Manager Towner, Operations and Engineering Manager Stelter, Utility Operations Manager Begin, Contracts & Planning Coordinator Gibbons, HR/Risk Manager Lazzareschi, Public Information/IT Manager Emmerich, and Executive Assistant/Board Secretary Potts. Counsel Eskind was also present.

REVIEW OF AGENDA: No items were added or removed to/from the agenda.

PUBLIC FORUM (9:35 a.m.): 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 9:35 a.m.

EMPLOYEE SERVICE AWARDS (9:45 a.m.)

- a. Michael Warren – 5 Years
- b. Ian Wright – 5 Years
- c. Amy Fontana – 10 Years

President Lewis presented employee awards to Utility Operations Maintenance Worker Michael Warren, Utility Operations Equipment Operator Ian Wright, and Accounting Technician Amy Fontana. The Board and Management Team thanked the employees for their years of service to the District.

CONSENT CALENDAR: The following consent calendar items were presented for approval. Director Bergmann noted his specific conflicts with accounts paid and payable. Director Thompson requested a discussion regarding Item 2, Director Ferrell requested a discussion regarding Item 4, and Director Bergmann requested a discussion regarding Item 5.

- 1. Approve Accounts Paid and Payable for the period from October 8, 2013 through November 11, 2013.**
- 2. Approve Minutes of the October 8, 2013 Regular Board Meeting**
- 3. Authorize General Manager to File Notice of Completion for the Tahoe Vista Recreation Area Detention Basin Project (#1422)**
- 4. Authorize General Manager to File Notice of Completion for National Avenue Water Treatment Plant Lake Intake Pump Replacement (#1319)**
- 5. Approve Claim Against District for Water Damage at 8594 Steelhead Avenue**

Director Thompson noted that the minutes of October 8, 2013 (E-2) reflected that no relief was granted for the cost to apply for a variance to Mr. Habeger. He noted that the fee of \$1,000 set by Ordinance to a request for a variance was cost prohibitive and

requested that this amount be reconsidered. The Finance Committee was directed to review this fee as well as others during a review of the charges set by District Ordinance. This item remained on the Consent Calendar.

Director Ferrell inquired about the work done at the National Avenue Water Treatment Plant Lake Intake Pump Replacement (E-4), specifically about the contractor performing the work. Staff noted that the contractor, J.R. Krauss had performed the work very effectively in compliance with the District's specifications. This item remained on the Consent Calendar.

Director Bergmann inquired about the claim against the District for water damage at 8594 Steelhead Avenue (E-5). General Manager Schultz noted that he was working on communication between local agencies in order to expedite response times during emergency situations. This item remained on the Consent Calendar.

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

MANAGEMENT TEAM INFORMATIONAL UPDATES

Accounting Department Report

a. Review and Discuss Monthly Financial Statement through September 2013

b. Treasurer's Report

Chief Financial Officer (CFO) Marple presented the Financial Statement and Treasurer's Report for September 2013. Director Bergmann requested that increased analysis of variances be presented by CFO Marple in the report, citing significant events such as IRONMAN, weather-related issues, low lake levels contributing to early boat ramp closures, etc.

Park and Facilities Department Report

Park and Facilities Manager (PFM) Towner highlighted her plan to capture parking revenues at Kings Beach State Recreation Area and in the North Tahoe Regional Park by staffing the entrances to the parks during high usage times, rather than relying on the honor system currently utilizing fee boxes. Director Ferrell expressed a desire to change the Ordinance governing the fees for local residents who currently utilize the Regional Park at no charge. General Manager Schultz noted that enforcing fee payment by the nonlocal facility users gives value to the local community funding the parks through Community Facilities District 94-1. PFM Towner noted a new program of rotating art displayed in the Event Center. General Manager Schultz stated that he is seeking Park Mitigation Fees for both ADA improvements at the Kings Beach State Recreation Area, and the dog park in the Regional Park.

Planning and Engineering Department Report

Operations and Engineering Manager Stelter highlighted the District's work with Placer County for the Kings Beach Commercial Core Improvement Project (KBCCIP), and the Minnow Water Main Replacement Project. Mr. Stelter advised the Board that Q&D Construction of Sparks, NV was low bidder on the KBCCIP and was expected to be awarded the contract by the Placer County Board of Supervisors. He also updated the

Board on the District's current projects to include the Dollar Sewer Pump Station Rehabilitation and the National Avenue Lake Intake Pump Replacement projects.

Utility Operations Department Report

Utility Operations Manager Begin presented recent projects completed by the District's Utility Operations Department. He noted that District crews had completed night time wet well cleaning to take advantage of low flows, and since underground construction is over for the season, Operations Department staff will be using the bypass equipment for the Carnelian Bay wet well during daytime hours. Water main leaks on Canterbury in Kings Beach and an unusual number of callouts due to false alarms were discussed.

NEW BUSINESS

Authorize Budget Adjustment in the amount of \$50,000, Award Bid, and Authorize General Manager to Execute Agreement for the North Tahoe Event Center LED Lighting Conversion Project to the Lowest Responsive and Responsible Bidder

Park and Facilities Manager Towner advised the Board of the benefits of the project, and reimbursement for 15% of the cost of bulbs which will be rebated through Liberty Energy. The lights will be replaced by in-house labor.

MOTION: Upon motion by Director Bergmann and second by Director Daniels, the Board voted unanimously (5-0) to authorize the requested budget adjustment for \$50,000, award the bid for the NTEC LED Lighting Conversion Project, and authorize the General Manager to execute an agreement with the lowest responsive and responsible bidder.

CORRESPONDENCE

Request from Chinquapin Homeowners Association for 60 Day Extension for Transfer of Maintenance of Sewer Lines

The request from Chinquapin Homeowners Association (CHOA) was discussed. New CHOA President stated that the 60 day extension would give the association an opportunity to review the new televised records completed by the District. He thanked the District for the work being completed by the District, and stated that while CHOA is working to contract with a commercial maintenance company who would also review the TV records, they would feel more comfortable if the District would respond to any sewer maintenance emergencies.

It was noted that the District's review of the Chinquapin sewer lines showed that the lines are in good condition, and all work would be completed by the District by November 22nd deadline for the transfer of maintenance of Chinquapin sewer lines.

MOTION: Director Ferrell moved to change the sunset date for sewer maintenance to January 20, 2014 for District maintenance of the Chinquapin sewer lines if called upon by the CHOA in for emergency services. Upon second by Director Thompson, the motion carried unanimously (5-0).

Request from Toys for Tots for Use of Event Center on December 13th-15th

MOTION: Director Daniels moved to grant the request for use of space in the North Tahoe Event Center from December 13th to 15th for Toys for Tots. Upon second by Director Bergmann, the motion carried unanimously (5-0).

OLD BUSINESS

Authorize Budget Adjustment, Award Bid, Authorize Change Order No. 1 and Execution of Agreement subject to review and approval by the General Manager of Scope of Fee for NTPUD Base Administration Facilities – Modular Building Bid to Design Space Modular Buildings, Inc.

Operations and Engineering Manager Stelter addressed the Board, stating that without a budget adjustment, a significant redesign for the base facilities would be necessary. He sought input from the Board regarding whether they would like to move forward with the project in its current design or redesign the project. He noted that staff work is complete to submit a permitting application with Tahoe Regional Planning Agency (TRPA) which would go before the TRPA Board at their December meeting. Architect Peter Gerdin was present for questions.

Director Thompson stated that he would like to see the process start over, noting that throughout the planning process the costs have increased. He also stated that he believes the modular building is a mistake because it limits the number of people who can bid on the project. He stated that the District could use the building designed by Peter Gerdin and have general contractors build it.

Director Bergmann asked for input about design changes which might minimize costs, and asked Mr. Gerdin if he could redesign the building for construction by a general contractor and was advised that he could do so.

Director Daniels noted that the cost of the building was almost 50% over the estimated costs, now costing approximately \$400 per square foot, which she stated is not competitive.

Director Ferrell said that staff should have worked to keep the building within the budget, and believes the Board was misinformed by staff. He wants staff to redesign the building, reduce the size of the building, hire a new architect, and work until we are comfortable that it will come in under budget.

President Lewis stated that the direction of the Board appears to be to not move forward with the building as it is designed, and to work on the project until it meets the budget parameters.

General Manager Schultz stated that he believes that the building design and size is what is needed, and he does not recommend changing the square footage of the building to reduce its cost, potentially creating a building that does not fit the District's needs. He stated that staff worked on the project in a professional manner and did not mislead the Board on the cost for the building.

Further discussion took place. Peter Gerdin commented on the size of the building, and function of office spaces as directed by District staff, and stated that he had communicated to staff that he did not believe that the building could remain within budget. He also stated that he did not believe that stick framing the building would save money. Construction Administrator Butterworth noted that in spite of encouraging numbers early in the planning process, he had initially estimated the building costs to be higher than \$3.3 million, but had worked to follow Board direction and remain within budget. Contracts and Planning Coordinator Gibbons stated that the new building is approximately 150 square feet smaller than the three buildings it is replacing.

Director Ferrell tabled further discussion and action on this item for consideration at next month's Board meeting.

GENERAL MANAGER/CEO AND BOARD OF DIRECTORS COMMENTS

President Lewis thanked staff for their work. Director Thompson requested a Building Committee meeting before the next full Board meeting. No other comments were made.

ADJOURNMENT

There being no further business to come before the Board of Directors, the meeting was adjourned at 11:55 a.m.

**Marianne Potts
Board Secretary**