

**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, February 12, 2013**

**CALL TO ORDER/ESTABLISH QUORUM**

The Regular Meeting of the North Tahoe Public Utility District Board of Directors was held on Tuesday, February 12, 2013 at the North Tahoe Event Center in Kings Beach, California. President Lewis called Closed Session to order at 8:30 a.m. Present were Directors Bergmann, Ferrell, Daniels, Thompson and President Lewis. A quorum was established.

**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 54967.9. Name of case: Stuart Corvin v. North Tahoe Public Utility District, et al.
2. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION  
Discussion pursuant to subdivision (b) of Section 54956.9. Number of cases: Two (2)
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 Parties: State of CA. Under Negotiation: Terms of Agreement.
4. 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 Parties: Joseph Huelle. Under Negotiation: Terms of Agreement.

President Lewis reported that no action was taken by the Board during Closed Session.

**PLEDGE OF ALLEGIANCE**

President Lewis called Open Session to order at 9:30 a.m. Director Daniels led the Pledge of Allegiance.

Staff in attendance included General Manager/CEO Schultz, Chief Financial Officer Marple, Parks and Facilities Manager Long, Planning and Engineering Manager Stelter, Construction Administrator Butterworth, Contracts and Planning Coordinator Gibbons, Executive Assistant Emmerich, Human Resources Technician Keechler, Utility Operations Manager Begin, and Board Secretary Potts. Counsel Eskind was also present.

**REVIEW OF AGENDA:** It was decided to move Item H-3c to the beginning of the meeting in order to accommodate Richard Lazzareschi who was present to address the Board regarding his claim against the District.

**PUBLIC FORUM (9:35 a.m.):** There were no members of the public present to address the Board on items not on the agenda. Public Forum was closed at 9:35 a.m.

### **NEW BUSINESS**

#### **Claim against the District dated 1/14/13 from Richard Lazzareschi for Tire Damage and Loss of Time occurring at 4796 North Lake Boulevard**

Mr. Lazzareschi addressed the Board regarding his claim. He noted that while plowing snow on January 14<sup>th</sup> in an easement at 4796 North Lake Boulevard, the edge of his plow hit the corner of a sewer vault lid owned by the District. He stated that the lid was not level because water and ice had formed under the lid, lifting it because there were no bolts in place. Mr. Lazzareschi was requesting reimbursement for the cost of the tire, and for the hourly salary for his employee who was needed because of the incident. Staff recommended splitting the cost of the tire with Mr. Lazzareschi because staff felt that the cause and effect for the incident was unclear. Mr. Lazzareschi disagreed and presented Board Secretary Potts with an invoice showing the cost of tire replacement to be \$283.63. Director Bergmann left the room before the discussion due to a conflict of interest.

**MOTION:** After discussion, Director Daniels moved to reimburse Mr. Lazzareschi for the full cost of the tire, not inclusive of his employee's time. Upon second by Director Lewis, the motion carried (4-0) with Director Bergmann abstaining.

#### **TIMED ITEM: 9:45 a.m. – Craig Hill of Northcross Hill Ach (NHA): Financing for New Base Facilities and Dollar Hill Pump Station Rehabilitation**

CFO Marple had worked with Craig Hill to prepare a presentation based on direction received from the Finance Committee at its February 5, 2013 meeting. The Committee had recommended financing a portion of the two projects, and utilizing Sewer Reserves for the rest of the funds needed. It was agreed that the Water Department would pay for approximately one third of the cost of the new base facilities. Total building costs were discussed with the Dollar Hill Pump Station Rehabilitation being proposed at \$2.2 million, and the New Base Facilities Project being proposed for \$3.5 million. The Committee recommended financing \$2.2 million, the full amount of the pump station, and \$1.167 million for the base facilities which is water's portion of the building. Therefore the recommendation made was for borrowing a total of \$3.367 million for the two upcoming projects, with the balance being taken from undesignated Sewer Reserves.

President Lewis maintained that the Base Facilities Project should remain within \$3 million with contingencies. Engineering Staff noted that the proposed dollar amount of \$3.5 million was a conservative figure intended to include all aspects of the project, including contingency and items such as Best Management Practices (BMP's) which will be required whether or not the project is completed. Unknown aspects of the project costs included Placer County's design review which is completed on a time and materials basis, and Tahoe Regional Planning Agency permitting.

President Lewis proposed that the District look to assets such as property owned by the Water Department to help cover their portion of the building, thereby reducing its debt. He also noted that approximately \$260,000 was due from the Placer County Redevelopment Department (RDA Successor Agency). CFO Marple noted that this is a single distribution of funds returning to the District, and may or may not be repeated in the future.

Director Thompson believes that the scope of this project has increased from \$2.3 million to \$3.5, and believes that the District is planning to build more than it is able to afford. He does not advocate a modular building that the District is unable to get a bid on. Director Ferrell questioned costs for engineering for the project due to conflicting information about the responsibility for engineering for the building, versus the engineering required onsite. CA Butterworth clarified the division of engineering costs.

After further discussion, President Lewis directed staff to schedule a meeting of the Operations and Planning Committee prior to a Board Workshop to make decisions regarding construction and financing for the New Base Facilities.

Director Thompson moved to authorize the expenditure of \$2.2 million for the Dollar Hill Sewer Pump Station Rehabilitation from Sewer Reserves with a resolution in place allowing for the District to reimburse for past expenses, if needed. The motion died on the floor for lack of a second. Director Daniels stated that she believes the Board would like to discuss this further at the Board Workshop before action is taken.

Craig Hill gave the presentation which was planned for the meeting based on the recommendations from the Finance Committee. Although the discussion had changed the previous recommendation, he updated the Board on increasing rates for Treasury Bills which have increased 50 basis points in six months, and noted no expected inflationary pressure until 2015. He discussed the cost of each financing option, and stated that although recently most banks have been loaning for only 10 years, they are beginning to loan for up to 20 years. He provided projected annual debt service based on the Finance Committee's recommendation. Mr. Hill described a timeline of the process for funding the project: policy decision, identification of construction timing and bid period, development of the financing plan and legal documents, approval of financing, and solicitation of bids for financing to lock in interest rates.

General Manager (GM) Schultz asked how long the process would take to have financing in place. Mr. Hill stated that it would take approximately 90 days. GM Schultz stated that during the workshop, the reserves for the Water and Sewer funds should be reviewed.

**CONSENT CALENDAR:** The following consent calendar items were presented for approval.

1. Approve Accounts Paid in the amount of \$231,669.40 and Payable in the amount of \$65,893.43 for the period from January 15, 2013 through February 11, 2013 with conflicts for Director Bergmann for the vendor, Rainbow Printing totaling \$752.40.
2. Approve Minutes of the January 15, 2013 Regular Board Meeting.

3. Authorize General Manager to Execute Cooperative Agreement with Placer County for Kings Beach Commercial Core Improvement Project.

**MOTION: Director Daniels moved to approve the Consent Calendar with noted Accounts Paid and Payable conflicts for Director Bergmann. Upon second by Director Bergmann, the motion carried unanimously (4-0) with Director Ferrell absent for the vote.**

## **MANAGEMENT TEAM INFORMATIONAL UPDATES**

### **Finance Department Report**

#### **a. Review and Discuss Monthly Financial Statement through December 2012**

#### **b. Treasurer's Report**

No discussion on Monthly Financial Statement or the Treasurer's Report.

### **Park and Facilities Department Report**

Park and Facilities Manager (PFM) Long was asked to highlight any items in her report which she wanted to address. She noted that the last month had seen increased bookings at the Event Center, most taking place after the end of the fiscal year, however, all Saturdays in June are booked with weddings. A short discussion of Park Dedication Fees took place which noted a change in the focus which might allow the District to include projects within the North Tahoe Regional Park.

### **Planning and Engineering Department Report**

Contracts and Planning Coordinator Gibbons told the Board that the Emergency Parking Structure had been completed and is now in use. Planning and Engineering Manager (PEM) Stelter updated the Board regarding the Carnelian and Dollar Sewer Pump Station Rehabilitation Projects, and the design being completed together because of the relationship between the two stations.

### **Utility Operations Department Report**

Utility Operations Manager Begin stated that the crew would be working on a sewer bypass in Carnelian Bay in order to change out the valves at the pump station. This was a large project that was done in-house in order to save considerable sewer funds. He discussed the change in personnel with Water Quality Specialist Robin Runyon's retirement, and noted that he was very comfortable with the employee, Ken Fischer, hired as her replacement. Scheduled time off in his department was discussed, and he added that he was glad to see many employees taking time off during this quiet season rather than the dig season. Costs for a potentially needed project for replacement of the Rim Drive water line were discussed.

## **OLD BUSINESS**

### **Chinquapin Homeowners Association (CHOA) Sewer Facilities Update**

GM Schultz confirmed that the District established a hearing date with the Chinquapin HOA to be March 19<sup>th</sup> at 10:00 a.m. CHOA General Manager, Bob Duffield was present and responded to the Board's request for a site visit to view the facilities. A plan was made for the Board to make a trip to the Chinquapin site for this purpose at 9:00 a.m. on the 19<sup>th</sup> with the hearing to convene at approximately 10:30 a.m. at the North Tahoe Event Center subsequent to the site visit.

### **Authorize New Base Facilities Construction as a Capital Project**

A discussion took place regarding the need to establish the Base Facilities Construction as a Capital Project by action of the Board. This action is needed to begin the permitting process. Engineering staff noted that permitting will be done in-house.

Director Thompson expressed concerns about the cost of the project which he believes to have increased over the months since it was first introduced. He expressed his desire to be included in all future meetings regarding the project.

**MOTION: Director Ferrell moved to authorize New Base Facilities Construction to be included in the District's Capital Projects. Upon second by Director Daniels, the motion carried unanimously (5-0).**

### **Establish Funding Mechanism for New Base Facilities**

This item was tabled for a future meeting after further funding options are discussed.

### **Authorize General Manager to Execute Cooperative Agreement with Placer County for Kings Beach Commercial Core Improvement Project (KBCCIP)**

Contracts and Planning Coordinator Gibbons presented specifics about the agreement which will allow for Placer County to bid the work required by the District for the KBCCIP. The District would reimburse the county for this portion of the work which will include coordination of construction costs including surveying, staking, inspection, materials testing, and construction management. The District's work will be included as line items within the County's bid specifications and our reimbursement will be based on actual costs. Engineering Department staff believes that this agreement will benefit the District by keeping costs lower for our customers. Director Daniels inquired about standard warranties included in the agreement, and CPC Gibbons stated that the cooperative agreement will include our specifications and technical detail, and will provide for a warranty for the work completed under the agreement equal to an agreement that we would execute directly with a contractor.

**MOTION: Director Daniels moved to authorize General Manager Schultz to execute a cooperative agreement with Placer County for the KBCCIP. Upon second by Director Ferrell, the motion carried unanimously (5-0).**

### **NEW BUSINESS**

#### **Authorize Staff to Proceed with Permitting for Kayak Racks at Coon Street Boat Launch and Tahoe Vista Recreation Area**

Park and Facilities Manager Long described the plan for kayak racks at the two locations, and the need to proceed with the permitting process. Potential income from the racks was discussed, and Director Daniels stated that the racks should include spaces for paddle board storage as well.

**MOTION: After the short discussion, Director Daniels moved to authorize staff to proceed with permitting for the kayak racks. Upon second by Director Ferrell, the motion carried unanimously (5-0).**

### **Discuss Recording of Board Meetings for Public Information and Access on District Website**

Executive Assistant Emmerich advised the Board of the research completed regarding recording District Board meetings. Granicus was the company staff recommended because it is very user friendly and would allow interested individuals to view Board meetings, and specific discussions easily by utilizing a direct link on the agenda. Initial setup costs would be approximately \$2,500 with a \$750 monthly service charge after setup. The Board confirmed their commitment to remaining open and accessible to the public. No action was taken.

### **Consider Claim against the District filed on January 14, 2013 from Sun and Sand Lodge for Window Breakage at 8308 North Lake Boulevard**

Human Resources/Risk Management Technician Keechler advised the Board that the window was said to have been broken on December 30, 2012 by District personnel blowing snow. She stated that our Maintenance Worker remembers seeing the broken window covered with visqueen when blowing snow, and denies responsibility for the breakage, and she recommended denial of the claim.

**MOTION: After discussion, Director Ferrell moved to deny the claim. Upon second by Director Bergmann, the motion carried unanimously (4-0) with Director Daniels absent.**

### **Claim dated January 8, 2013 from Tim LeFleur for Water Leak at 1005 Nottingham Way**

While the District's contractor was performing work for the Kingswood Water Main Replacement Project in the summer of 2011, the contractor worked on the customer's water service which was reported leaking in January 2013. Utility Operations Crew members immediately dug up the box, pulled the customer's valve, and replaced the line in order to stop the leak at no charge to the customer. Because the property has an irrigation system and has a history of overage charges during the summer months, HRS Keechler is recommending that the District shares 50% of the cost of the water overage charges from July 2012 to February 2013 with the property owner.

**MOTION: Director Daniels moved to reimburse the property owner for 50% of overages between July 2012 and February 2013 in the amount of \$239.41. Upon second by Director Bergmann, the motion carried unanimously (5-0).**

### **GENERAL MANAGER/CEO COMMENTS**

General Manager Schultz requested that the Board sets a policy for a dollar limit such as \$500 or \$1000 for claims against the District to be settled as staff recommends. Until that time, it was recommended that smaller dollar claims be placed on the Consent Calendar for Board approval.

### **BOARD OF DIRECTORS COMMENTS**

Director Bergmann requested that the Board endorse placement of a plaque at the tennis courts in the Regional Park by a local tennis group honoring George Galante for his work, and his request was affirmed. President Lewis thanked EA Emmerich for her work on the January District newsletter and expressed that he especially appreciated the informative graph in the newsletter which shows where the customers' monthly

service charges are spent. Director Ferrell commended the Engineering Department for their efforts in proceeding with the permitting process in-house for the work on the New Base Facilities Project.

**CORRESPONDENCE** - Correspondence was addressed by General Manager Schultz.

1. Correspondence from Tahoe Community Thanksgiving thanking the District for last year's event, and requesting use of Event Center for the Tahoe Community Thanksgiving in 2013
2. Special Districts Risk Management Authority Notification of Nominations for their Board of Directors

**ADJOURNMENT**

There being no further business to be considered by the Board, the meeting adjourned at 1:10 p.m.

**Marianne Potts**  
**Board and Records Secretary**