

**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, March 8, 2011
8:30 A.M. Closed Session
9:30 A.M. Open Session**

CALL TO ORDER/ESTABLISH QUORUM

The Regular Meeting of the North Tahoe Public Utility District Board of Directors was held on Tuesday, March 8, 2011 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 Mooney, Bergmann, Daniels, Ferrell, 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:

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Discussion pursuant to subdivision (a) of Section 54956.9. Name of case: North Tahoe Public Utility District vs. The Garwood Building. Director Mooney recused himself from the discussion.
2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Discussion pursuant to subdivision (a) of Section 54956.9. Name of case: 8679 Trout, LLC vs. North Tahoe Public Utility District, et al.
3. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION
Discussion pursuant to subdivision (b) of Section 54956.9. Number of cases: Two (2)
4. PUBLIC EMPLOYMENT: Discussion pursuant to Section 54957. Title: General Manager/CEO
5. LABOR NEGOTIATIONS – Discussion pursuant to Section 54957.6. Employee Organization: International Union of Operating Engineers (IUOE) Local 39.

Upon adjourning to Open Session, the Board reported that the Board took action during Closed Session on Item #5 regarding Labor Negotiations. The action taken was as follows:

MOTION: In response to a request from IUOE Local 39, motion was made by Director Bergmann and seconded by Director Ferrell to accept the Union's offer to extend the current contracts set to expire 6/30/2011 for one additional year until 6/30/2012 with a 0% increase for Cost of Living Allowance (COLA) in lieu of the 1% minimum COLA per the current contract provisions. The motion carried unanimously.

President Lewis stated that Closed Session will reconvene upon the close of Open Session to discuss items #3 and #4.

PLEDGE OF ALLEGIANCE

President Lewis called Open Session to order at 9:37 a.m. Director Daniels led the Pledge of Allegiance.

Staff present were Acting General Manager/CEO/Clerk of the Board Schultz, Chief Financial Officer Marple, Parks and Facilities Manager Long, Construction Administrator Butterworth, Contracts and Planning Coordinator Gibbons, Sr. Financial Analyst Rosenthal, Utility Operations Manager Hopkins, Executive Assistant Lefrancois, Human Resources Technician Keechler, Board and Records Secretary Potts. Counsel Eskind was also present.

REVIEW OF AGENDA: New Business, Item G-1 requesting authorization for a Professional Services Agreement for a Classification and Compensation Survey was removed from the agenda due to action taken in Closed Session.

TIMED ITEM: 9:40 a.m./PUBLIC FORUM: Community member, Kevin McDermott addressed the Board asking for their consideration for sponsorship of a tee box on the Frisbee golf course in the Regional Park for volunteers Craig Getty and Doug Greenwood whom he stated have contributed hundreds of hours at the park. Additionally, he made a request for a donation of use of the Regional Park on behalf of Warren Mills who is putting on an event called the "Mad Mad Mills Mountain Marathon" for benefit of the North Tahoe High School Cross Country Program. President Lewis directed him to speak to Park and Facilities Manager Long about his requests for staff recommendation.

Community member and Boys and Girls Club of North Lake Tahoe Founder, David Ferrari addressed the Board thanking them for their continued support of the Boys and Girls Club. He also stated that as a rate payer, he would like the Board to consider consolidation with the Tahoe City Public Utility District.

No other members of the public were present to address the Board, therefore Public Forum was closed at 9:49 a.m.

CONSENT CALENDAR: Items 3, 4, and 6 were removed from the consent calendar for discussion. After discussion, Items 4 and 6 were placed back on the consent calendar for approval.

1. Approve Accounts Paid in the amount of \$229,989.00 and Payable in the amount of \$193,507.66 for the period from February 8, 2011 to March 8, 2011 with noted conflicts of interest in the amount of \$1,051.94 for Finance Committee members, Directors Mooney and Bergmann.
2. Approve Minutes of the February 8, 2011 Regular Board Meeting
3. Authorize General Manager to Execute Line Extension and Cost Sharing Agreement for Woodvista Lodge Improvements (APN 117-150-040)
4. Authorize General Manager to Execute Professional Services Agreement (PSA) for Brook Avenue Sewer Main Replacement Project (#1022)
5. Authorize General Manager to Execute Professional Services Agreement for Carnelian/Dollar Station Design (#1021-CDSD)
6. Authorize General Manager to Execute Amendment #2 to the California Tahoe Conservancy Agreement for Beach Maintenance Services

Director Mooney inquired about Item 3 which was tabled in February. He noted that the item had not been substantially changed since presented last month. He also expressed concerns about the project causing a dip in Water Fund Reserves below the reserve level established by the Board. Director Ferrell explained additional justification for proceeding with the Line Extension and Cost Sharing Agreement for the Woodvista Lodge Improvements since it was presented in February. He stated that entering into an agreement at this time would benefit District rate payers because of the cost savings by doing so. Additionally, he stated that the new line would provide fire protection in an area that is not currently covered. The Board decided to vote on this item separately from the consent calendar.

MOTION: Upon motion by Director Ferrell and second by Director Daniels, the Board voted to proceed with staff's recommended alternative #1. The motion carried with three Ayes (Directors Ferrell, Daniels and Bergmann), one No (Director Mooney), and one Abstention due to conflict of interest (President Lewis).

The approved alternative (#1) is as follows: Extend the 8" water line approximately 525 linear feet up Beach Street and Beach Court, connecting to an 8" dry line at the end of Beach Street, install a fire hydrant at the end of Beach Street, and reconnect thirteen existing services to the newly-upsized water line. This would also include changing out five Sensus water meters with Badger meters. The District would also share 50% of the cost of the installation of 8" water line in Beach Street from State Highway 28 to the northern property line of the Woodvista Lodge property. The estimated cost for this alternative is \$149,045.

Item E-4 regarding the PSA for Brook Avenue Sewer Replacement Project was discussed. Director Ferrell advised that the Development and Planning Committee had reviewed the project and recommended moving forward as they feel it is a priority project. Director Ferrell requested Vern Phillips, P.E. to make changes to the PSA with Harris and Associates which would state that Harris and Associates would managed the bid phase as required, and will provide time and materials to obtain permitting from Placer County, State of California and Tahoe Regional Planning Agency with no additional charges for these items. Mr. Phillips agreed to make the changes directed. With the noted changes to the PSA, this item was kept on the consent calendar.

Item E-6, the District's agreement with the California Tahoe Conservancy for Beach Maintenance Services was discussed. Director Mooney clarified his understanding of the District's responsibilities, and was advised by Park and Facilities Manager Long that the District performed maintenance services only within the scope of this agreement. This item was kept on the consent calendar.

MOTION: With exceptions and conflicts noted, upon motion by Director Daniels and second by Director Bergmann, the Board approved Consent Calendar Items # 1, 2, 4, 5, and 6 unanimously by roll call vote.

MANAGEMENT TEAM INFORMATIONAL UPDATES

1. Management Services Department Report

- a. Review and Discuss Monthly Financial Statement through January 2011
- b. Treasurer's Report

No questions or discussion.

2. Parks and Facilities Department Report

Park and Facilities Manager advised the Board of successfully receiving grant funds in the amount of \$1.42 million from the Department of Boating and Waterways for the Tahoe Vista Recreation Area project for construction. She also stated that the Courtesy Docks project which had been delayed by weather, was scheduled to begin again on March 9th, and stated that she plans to have both boat launches operated by the District open this year due to higher water levels than last year in the lake.

3. Planning and Engineering Department Report

Director Daniels requested Contracts and Planning Coordinator Suzi Gibbons give highlights from her report. She addressed the status of the emergency repairs to the intake pumps for the National Avenue Water Treatment Plant, and the anticipated cost savings from the pumps ordered which cost less than the former pumps. The plan is to install one pump to replace the broken pump, and to wait until a second pump fails before installing the other two pumps in order to extend the life of the replacement pumps.

4. Utility Operations Department Report

Utility Operations Manager Hopkins responded to President Lewis' request for highlights. He stated that a great deal of time had been spent on snow removal to maintain adequate access to the District's pump stations. He also stated that some time had been spent at the Dollar Station performing testing in order to gather information regarding the recent sewer spill on 12/19/10. The District's recently purchased management system, GBA is being implemented with the Fleet Department and Technicians being trained and input beginning on the day after the Board meeting, March 9th. These two departments have not been in the District's management system database historically. Director Daniels asked about the time it takes for the District to determine if a leak has occurred in a customer line. Utility Operations Manager Hopkins responded that because of monthly meter reads, a significant leak on the customer's side of the meter would be found within a month of occurrence, but if the leak took place in an area where MLOG is installed, it could be determined within a week.

NEW BUSINESS – This item (G-1) was removed from the Agenda. No discussion or action was taken.

1. Authorize General Manager to Enter into Professional Services Agreement for Classification and Compensation Survey

GENERAL MANAGER/CEO COMMENTS

General Manager Schultz thanked the Directors for their time in meeting with him during the previous month.

BOARD OF DIRECTOR'S COMMENTS

Director Mooney stated that he would like to move forward with David Ferrari's comments on consolidation, and with the consensus of the Board, President Lewis directed that the item be placed on the next agenda for discussion only.

CLOSED SESSION

President Lewis adjourned to Closed Session at 10:48 a.m. for discussion of Closed Session agenda items #3 (Conference with Legal Counsel/Potential Litigation) and #4 (Public Employment).

At 2:45 p.m., upon adjourning to Open Session, President Lewis reported that no action was taken in Closed Session.

ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned at 2:45 p.m.

Marianne Potts
Board & Records Secretary