

**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, May 8, 2012
8:30 A.M. Closed Session
10:00 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, May 8, 2012 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 this discussion.
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 – Property: 8318 North Lake Blvd., Kings Beach State Recreation Area. Agency Negotiator: General Manager Schultz. Negotiating Parties: State of California. Under Negotiation: Terms of Agreement. Discussion pursuant to Section 54956.8.

President Lewis reported no action taken during Closed Session.

PLEDGE OF ALLEGIANCE

President Lewis called Open Session to order at 10:05 a.m. Director Daniels led the Pledge of Allegiance.

Staff present were General Manager/CEO Schultz, Chief Financial Officer Marple, Parks and Facilities Manager Long, Planning and Engineering Manager Stelter, Construction Administrator Butterworth, Systems and Mapping Coordinator Berry, Contracts and Planning Coordinator Gibbons, Sr. Financial Analyst Rosenthal, Utility Operations Manager Begin, Executive Assistant Lefrancois, and Board Secretary Potts. Counsel Eskind was also present.

REVIEW OF AGENDA: No changes were made to the agenda.

PUBLIC FORUM (TIMED ITEM 10:05 a.m.): Ron Treabess, Community Planning Director for the North Lake Tahoe Resort Association, addressed a proposed water shuttle between Kings Beach and Tahoe City. He stated that this was not a

commercial project, but a public service project, and the Resort Association is willing to make any changes necessary to the agreement to make it acceptable to the District and the District's risk managers, and would consider providing funding for any increased insurance premiums.

President Lewis expressed the District's gratitude to the Resort Association for their partnership which allowed the Tahoe Vista Recreation Area Phase 1 and Accessory Parking projects to move forward.

There being no further public to address the Board on items not on the agenda, Public Forum was closed at 10:15 a.m.

CONSENT CALENDAR: The following consent calendar items were approved.

1. Approve Accounts Paid in the amount of \$214,649.20 and Payable in the amount of \$143,988.79 for the period from April 10, 2012 to May 7, 2012 with noted conflicts for Directors Bergmann and Mooney in the amount of \$14,606.45.
2. Approve Minutes of the April 10, 2012 Regular Board Meeting.
3. Authorize General Manager to Enter into Beach Maintenance Agreement Amendment and Term Extension with California Tahoe Conservancy
4. Award Bid and Authorize General Manager to Execute Agreement for the Brook Avenue Sanitary Sewer Improvements Project (#1022)
5. Adopt Resolution 2012-10 Declaring an Election be Held in Jurisdiction, Requesting the Board of Supervisors to Consolidate this Election with any other Election Conducted on Said Date, and Requesting Election Services by the County Clerk

MOTION: A motion to approve the Consent Calendar was made by Director Daniels and seconded by Director Bergmann. The motion carried unanimously by Roll Call (5-0) with noted conflicts for Directors Mooney and Bergmann for accounts paid and payable.

10:20 a.m. Tahoe City Rotary Club Presentation and Request for Donation of Rooms at North Tahoe Event Center for Rotary Career Day for local high School students: Greg McDougall from the Tahoe City Rotary Club thanked the District for its donation of the space at the Event Center which allowed them to offer this program to 310 local students from North Tahoe and Truckee High Schools. He read letters from the students thanking the responsible entities for the program. Mr. McDougall noted the interactive nature of the presentations which included many career choices, local and national job information, a financial forum, and interview skills. He requested use of the Event Center for next year.

MOTION: Director Daniels moved to donate use of the building for next year's Rotary Club Career Day Event. Upon second by Director Ferrell, the motion was approved unanimously (5-0).

MANAGEMENT TEAM INFORMATIONAL UPDATES

Management Services Department Report

- a. Review and Discuss Monthly Financial Statement through March 2012
- b. Treasurer's Report

Chief Financial Officer Marple stated that the budget expenses were on target and within the year to date projections in totality.

Parks and Facilities Department Report

Park and Facilities Manager (PFM) Long stated that she had recently hired fifteen seasonal employees for summer and would be hiring two more. She thanked Park and Facilities Supervisor Ingstad and Human Resources Specialist Keechler for their assistance in the process. She noted the 2012 operating hours at the Coon Street and Tahoe Vista Recreation Area boat ramps as 7:00 a.m. to 7:00 p.m. with closures on Tuesdays and Wednesdays. Director Ferrell relayed comments from the public regarding limited operating hours, and she stated that if financially feasible expanded hours would be set while noting that 2012 operating hours are longer than last year.

TIMED ITEM: North Shore Bicycle Trail Project Update

Placer County Public Works Director Peter Kraatz was present to address the Board regarding the project. He noted that the cooperation between Placer County, the California Tahoe Conservancy and the District were key in moving this project forward. He provided a slide presentation regarding the status of the Dollar Creek Shared Use Trail Project, showing the history, purpose and need for the trail. He addressed the Tahoe Regional Planning Agency Trail Plan for the Tahoe Basin. Strategy being implemented would be to make progress on the trail in smaller sections with the first leg of the trail to be from Dollar Point to Fulton Crescent Drive which would cover approximately 2 ½ miles. He cited the biggest unknown for the project as the funding for ongoing maintenance of the trail. Maintenance issues will be addressed prior to construction.

President Lewis addressed the District's concerns about the trail being regionally serving, and that the first leg of the trail is not regional in nature. The Board is committed to continuing the trail all the way to the Regional Park. Director Ferrell inquired about the 10 foot wide footprint, versus the originally planned 8 foot wide trail, using increased coverage from available mitigation coverage for the project. Mr. Kraatz stated that this would not be an issue after adoption of the TRPA Regional Plan Update. Director Ferrell recommended the whole trail coverage be studied to insure that sufficient coverage is available for the entire trail.

NEW BUSINESS

Request for Use of North Tahoe Event Center for 2012 Community Thanksgiving Celebration

Director Daniels stated that the Recreation and Parks Committee had discussed the request for use of the building for a 2012 Thanksgiving celebration and would like to offer the building again with the same agreement as last year which included providing a lead nonprofit agency and liability insurance covering the event.

MOTION: Upon motion by Director Daniels and second by Director Bergmann, the Board voted unanimously to donate use of the building for a 2012 Thanksgiving Celebration with reimbursement for employees, sponsorship by a local nonprofit agency, and liability insurance coverage for the event. The motion carried (5-0).

TIMED ITEM: 11:00 a.m. Budget Workshop – Presentation of Draft Budget for 2012-2013 Fiscal Year

President Lewis opened the Budget Workshop at 11:20 a.m. Chief Financial Officer (CFO) Marple noted that the District staff is still working to make cuts and is hopeful to have a more balanced budget to present to the Board for adoption in June. It was noted that the Draft Budget shows that the District has more expenses than revenue, and staff continues to look at cutting expenses. He stated that the proposed budget is more transparent than in the past.

CFO Marple stated that capitalized Salaries and Wages will remain in their department budget at 100% and as the hours are charged to a specific capital project, it will result in revenue to the department.

Depreciation was addressed, and CFO Marple stated that the District will continue to look at a goal of establishing future rates to fully cover depreciation.

Director Mooney expressed his concerns about an unfunded pension liability through CalPERS. President Lewis stated that the District had entered into a collective bargaining agreement with IUOE Stationary Engineers Local 39 which provides for a specific rate, and that the liability does not exceed that rate (15%). Human Resources Specialist Keechler explained that the Union agreement and CalPERS agreement were separate, and that CalPERS allowed for, and was not concerned with the differences between their agreement with the District and the specifics of the Union agreement between the District and employees.

Changes recommended by the Finance Committee were being addressed, and a second draft of the budget would be brought back to the committee for review prior to the June meeting. Senior Administrative Analyst (SAA) Rosenthal stated that the Finance Department is working toward creating a document which is consistent from year to year, with no need for explanatory footnotes.

Additionally, SAA Rosenthal addressed reducing the District's Administration allocation by placing the expenses directly into the appropriate departments, and that several smaller departments (i.e. pump stations or distribution) which had been compressed more generally into the sewer, water, and parks departments have been reinstated in order to provide more specific departmental information.

President Lewis closed the Budget Workshop at 11:50 a.m.

Planning and Engineering Department Report

Contracts and Planning Coordinator (CPC) Gibbons spoke briefly about the upcoming construction season. Systems and Mapping Coordinator Berry updated the Board on the National Avenue Water Treatment Plant (NAWTP), noting that the programmable logic controller (PLC) installed on May 2nd is in full operation and the plant is operating well with a short punch list for completion before acceptance of the project. Should commercial power fail, the generator at NAWTP will start automatically which allows the plant to run at 50% power, and District staff will now be able to restart the plant remotely should it go down. Mr. Berry advised that the Park Well provided water service for approximately 2½ weeks and dropped the level of the aquifer which is now recharging, although he noted that the level had not dropped as much as anticipated.

Utility Operations Department Report

CPC Gibbons offered to answer any questions the Board had regarding the Utility Operations Department Report on behalf of Utility Operations Manager Begin. She noted that crews were making final connections on the Beach Street Water Main, and advised of a significant number of water leaks in Kings Beach on Bristol Circle and Cambridge. Maintenance Worker Warren, responsible for responding to Underground Service Alert (USA's) notifications required assistance by operations staff due to the number of alerts over the recent month.

GENERAL MANAGER AND BOARD OF DIRECTORS COMMENTS

General Manager Schultz noted that staff's time had been focused on the proposed budget for the upcoming 2012-2013 Fiscal Year.

Director Bergmann encouraged all to vote for the Transient Occupancy Tax continuation on June 5th. Director Daniels stated that she would review the draft budget and may call with questions over the next month. President Lewis thanked District staff for another successful month and stated that he was looking forward to the upcoming fiscal year's budget adoption.

ADJOURNMENT

There being no further business to be considered by the Board, the meeting was adjourned at 12:00 p.m.

Marianne Potts
Board and Records Secretary