

**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
505 Parnassus Street, San Francisco, CA 94143**

Tuesday, June 11, 2013

CALL TO ORDER/ESTABLISH QUORUM

The Regular Meeting of the North Tahoe Public Utility District Board of Directors was held on Tuesday, June 11, 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, Thompson and President Lewis. Director Daniels was available if needed, but not in attendance from the San Francisco location noted above, and on the agenda. 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 54967.9. 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 54967.9. Name of case: Equal Employment Opportunity Commission (EEOC) Charge: Christopher Cannizzaro v. North Tahoe Public Utility District
3. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION
Discussion pursuant to subdivision (b) of Section 54956.9. Number of cases: One (1)
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 Parties: 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. 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 9:32 a.m. Director Ferrell led the Pledge of Allegiance.

Staff in attendance included General Manager/CEO Schultz, Chief Financial Officer Marple, Parks and Facilities Manager Long, Engineering and Operations Manager Stelter, Utility Operations Manager Begin, Contracts & Planning Coordinator Gibbons,

Human Resources/Risk Manager Keechler, Technology and Public Information Administrator Emmerich, and Executive Assistant/Board Secretary Potts. Counsel Eskind was also present.

REVIEW OF AGENDA: Because members of the public were present for Item G-1, "Adopt Findings for Chinquapin Sewer Facilities Hearing held May 22, 2013", this item was rearranged to be scheduled immediately after public forum. No additions or deletions were made to the agenda.

PUBLIC FORUM (9:40 a.m.): There being no public present to address the Board regarding matters not on the agenda, President Lewis closed Public Forum at 9:40 a.m.

Adopt Findings for Chinquapin Sewer Facilities Hearing held May 22, 2013

Counsel for Chinquapin Homeowners Association (CHOA) addressed the Board regarding materials submitted for the meeting which were received by the District on June 10th. President Lewis noted that the Board had received copies of the submittal from Mr. Porter, and copies of the documents were available for the public at the public information table.

President Lewis stated that the District held a hearing on May 22nd when testimony was heard from both Chinquapin and the District, after which the District prepared the findings contained in the Board packet for the June 11th meeting. He invited Mr. Porter to speak to the Board regarding his recommended alternative findings.

Mr. Porter recalled conversations he had with former District Board Member, Larry Sevison, former General Manager John Hassenplug, and former Assistant Manager Lee Schegg, and presented an affidavit from Dan Jones of Western Maintenance who had maintained Chinquapin grounds. Mr. Porter asserted that all had stated the District maintained the sewer lines from the time they were installed.

Bob Duffield, CHOA General Manager, Kathy Payne, CHOA Board President, Mitch Packard of Packard Realty, and Kings Beach resident Joe Huelle all stated their positions regarding the hearing.

President Lewis noted that the District had offered everyone an opportunity to present their case. President Lewis stated that the Board and staff walked the site with CHOA representatives, and held a hearing on May 22nd in order to make an informed decision on the matter. President Lewis asked General Manager Schultz if General Manager Schultz had any changes to the recommended findings. General Manager Schultz stated that his recommendations and findings stand.

Director Thompson noted that his vote for action taken at the May 22nd hearing was based on the formality of no resolution or action taken to accept the Chinquapin sewer system at the time of acceptance of the D-6 lift station. Without the action taken by a previous Board, he asserted that he doesn't feel that accepting the lines now is the right thing for all ratepayers within the District.

Director Ferrell stated that nothing presented has changed his opinion of the action taken at the hearing on May 22nd. He believes that the District purposefully bought the Dollar Cove Water Company serving the Chinquapin property, and accepted the D-6 Sewage Lift Station, but did not accept the sewer lines and sewer system within Chinquapin.

Director Bergmann stated that non-acceptance of the sewer lines within Chinquapin was intentional by General Manager Llewellyn, and believes that acceptance of the sewer lines would have happened at the time of completion of the system if that was the District's intention. He believes that the developers would have pushed to make it happen if that was their intention.

President Lewis stated that he was swayed by the 1972 acceptance of the D-6 lift station and subsequent purchase of the water system and facilities. He believes that the District would have accepted the sewer lines as well if that was the District's intention. He also indicated he spoke with former District Director, Larry Sevison, who said he could not remember why the sewer lines were not accepted.

General Manager Schultz had no further comments, and stated that nothing brought forward by the Chinquapin Homeowners Association has changed his recommended findings.

Director Ferrell requested that a preliminary summary report of subdivision properties within the District, including Carnelian Woods, Brockway Springs, Kings Run, and Kingswood Village, indicating where the District does and does not supply some sewer maintenance services, be prepared for the July 9, 2013 regular Board meeting.

MOTION: Director Thompson moved to table the adoption of the findings from the hearing held on May 22, 2013 regarding the Chinquapin Sewer Facilities to the July 9, 2013 regular Board meeting, for consideration after the preliminary summary report requested by Director Ferrell is presented to the full Board. Upon second by Director Bergmann, the motion carried (4-0) with all ayes (Director Daniels absent).

10:00 a.m. PUBLIC HEARING: 2010 Urban Water Management Plan (UWMP)

President Lewis opened the public hearing at 10:20 a.m. No public was present, and no comments had been received during the public comment period which was posted at the District, the Tahoe Vista Post Office, and the North Tahoe Event Center, and published in the Sierra Sun.

Contracts and Planning Coordinator Gibbons presented the 2010 UWMP which was originally adopted on June 14, 2011. She noted that it had been submitted to the Department of Water Resources (DWR) and it had received significant comments which required revisions due to the size of the customer base within the District which does not fit into the document template provided by the State of CA. The revisions have been made, and it is a living document used as references for grant funding, and compliance with State and Federal Mandates. The District is to reduce water consumption by 20% by 2020. There being no comments on the plan, the hearing was closed at 11:00 a.m.

10:30 a.m. PUBLIC HEARING: Adopt 2013-2014 Fiscal Year Budget and Capital Improvement Program.

At 11:00 a.m., Chief Financial Officer (CFO) Marple presented the proposed Budget to the Board with updated figures since the last meeting. General Manager Schultz noted a transfer of two employees within the Operations Department, and his intent not to fill the vacant position of Utility Operations Mechanic's Assistant at this time. CFO Marple noted updated figures since the presentation of the Draft Budget at May's meeting, which included a decrease in inter-company rent of the Event Center included in the proposed budget, as well as a correction of a calculation for employee benefits. CFO Marple included in the proposed Budget a necessary increase of \$300,000 in budgeting for the Dollar Pump Station Rehabilitation Project, contingent on the Board passing Consent Calendar Item #5.

Three financial resolutions were presented for adoption by the Board for the 2013-2014 Fiscal Year.

Adopt Resolution No. 2013-06 of the Board of Directors of the North Tahoe Public Utility District Establishing a General Fund Appropriations Limit of \$9,067,123 for Fiscal Year 2013-2014 Pursuant to Article XIII (B) of the California Constitution; and that Total Appropriations Subject to the Limit based on an Estimated Annual Ad Valorem Property Tax Increment of \$3,535,000 are under the Appropriation Limits by \$5,532,123.

MOTION: Director Bergmann moved to approve Resolution 2013-06 establishing a General Fund appropriations limit for Fiscal Year 2013-2014. Upon second by Director Ferrell, the motion carried (4-0) by roll call vote with Director Daniels absent.

Adopt Resolution No. 2013-07 of the Board of Directors of the North Tahoe Public Utility District Adopting the North Tahoe Public Utility District's Annual Operating Budget for Fiscal Year 2013-2014.

MOTION: Director Bergmann moved to approve Resolution 2013-07 adopting the North Tahoe Public Utility District's Annual Operating Budget for Fiscal Year 2013-2014 pending approval of the \$300,000 budget adjustment proposed by Consent Calendar Item #5 to award bid and execute agreement for the Dollar Hill Pump Station Rehabilitation Project. Upon second by Director Ferrell, the motion carried (4-0) by roll call vote with Director Daniels absent.

Adopt Resolution No. 2013-08 of the Board of Directors of the North Tahoe Public Utility District Adopting the North Tahoe Public Utility District's Annual Capital Improvement Program Budget for Fiscal Year 2013-2014.

MOTION: Director Bergmann moved to approve Resolution 2013-08 adopting the North Tahoe Public Utility District's Annual Capital Improvement Program for Fiscal Year 2013-2014. Upon second by Director Ferrell, the motion carried (4-0) by roll call vote with Director Daniels absent.

The Public Hearing was closed at 12:00 p.m.

CONSENT CALENDAR: The following consent calendar items were presented for approval. Director Thompson requested that Item E-5 be removed for discussion. After discussion, the item remained on the consent calendar. Director Bergmann noted conflicts with accounts paid and payable as specified below.

1. Approve Accounts Paid in the amount of \$137,632.24 and Payable in the amount of \$295,619.28, with conflicts for Director Bergmann in the amount of \$1,103.11 for the period from May 14, 2013 through June 10, 2013.
2. Approve Minutes of the May 14, 2013 Regular Board Meeting and May 22, 2013 Special Board Meeting.
3. Adopt Resolution 2013-05 for the Election of Directors to the Special District Risk Management Authority Board of Directors.
4. Adopt Updated Illness and Injury Prevention Policy/Program (IIPP).
5. Award Bid to lowest responsive and responsible bidder, Increase Proposed 2013-2014 Budget in the amount of \$300,000, and Authorize General Manager to Execute Agreement with Myers and Sons Construction, LP for the Dollar Pump Station Rehabilitation Project.

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

MANAGEMENT TEAM INFORMATIONAL UPDATES

Accounting Department Report

a. Review and Discuss Monthly Financial Statement through April 2013

b. Treasurer's Report

Chief Financial Officer Marple presented the Monthly Financial Statement and Treasurer's Report for April 2013. No questions or comments were made regarding the reports.

Park and Facilities Department Report

Park and Facilities Manager (PFM) Long updated the Board on upcoming events at District facilities, including a softball tournament, girls fast pitch tournament, and triple crown tournament at the North Tahoe Regional Park. Director Thompson noted how busy the recent weekend was at the parking lot at the Kings Beach State Recreation Area (KBSRA).

Planning and Engineering Department Report

Contracts and Planning Coordinator (CPC) Gibbons updated the Board on recent activities within the Engineering Department. Right of way conflicts on the subdivision maps at the District's base facilities which are being addressed were discussed. General Manager Schultz noted that he is working with David Boesch, Placer County CEO to expedite a resolution to the issues, so that permitting for the New Base Facilities with TRPA can proceed.

Utility Operations Department Report

Utility Operations Manager (UOM) Begin reported recent work performed by the District's operations crews, including cleaning of all satellite stations, and maintenance of all "holiday" sewer lines.

CORRESPONDENCE

1. Correspondence to/from District customer at 231 Coon Street in Kings Beach regarding base rates for Water and Sewer Service
2. Email correspondence from local resident requesting Board to consider Skateboard Park within District boundaries

Correspondence presented was discussed. The Board commented that the explanation given regarding base rates for sewer and water service was excellent. The Board directed Park and Facilities Manager Long to contact the local resident noting that the Board's previous action reserving a site for a future skateboard park in the North Tahoe Regional Park.

GENERAL MANAGER/CEO AND BOARD OF DIRECTORS COMMENTS

President Lewis clarified the materials related to the Chinquapin Homeowners Association which are to be prepared by staff and presented at the next meeting in July. He stated that he is happy that staff is comfortable with the contractor now in place to perform the work for the Dollar Pump Station Rehabilitation Project. Director Bergmann noted that he is pleased with increased networking between the District and new Placer County Executive Officer, David Boesch.

ADJOURNMENT

The meeting was adjourned at 12:55 p.m.

Marianne Potts
Board Secretary