

**MINUTES OF THE
NORTH TAHOE PUBLIC UTILITY DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING
North Tahoe Community Conference Center
8318 North Lake Boulevard
Kings Beach, CA 96143
January 10, 2008**

A. CALL TO ORDER – ROLL CALL - PLEDGE OF ALLEGIANCE

President Lewis called the meeting to order at 2:10 PM. Present were Directors Daniels, Bergmann, Mooney, Lanini, and President Lewis. A quorum was established.

Staff present was Acting General Manager and Public Works Director Schegg, Chief Financial Officer Marple, Chief Engineer Goebel, Conference Services Director Daniels, Utility Operations Manager Hopkins, Parks and Facilities Manager Long, and Acting Clerk of the Board and Executive Assistant Lefrancois. Also present were Counsel Neil Eskind and Judy Friedman, Recording Secretary.

B. REVIEW AGENDA

The Board reserves the right to take items out of order.

C. APPROVAL OF MINUTES:

1. Approve minutes for December 10, 2007 Regular Board Meeting

It was moved by Director Daniels and seconded by Director Lanini to approve the minutes of the December 10, 2007 Regular Board Meeting as corrected. All ayes. No noes. Motion carried unanimously.

President Lewis asked that as a point of procedure, the Committee Chairs present committee findings as related to agenda items prior to Board discussions and that motions be made prior to topic discussions.

D. TIMED ITEMS

1. PUBLIC COMMENTS

Brad Leary voiced his concern regarding the recently adopted Ordinance 371 and presented his comments in writing to the Board. He asked that the decision be reconsidered.

Al Colhoun addressed the Board, agreeing with Mr. Leary's comments regarding Ordinance 371.

Ellie Waller encouraged NTPUD to do whatever is necessary to get the Tahoe Regional Planning Agency (TRPA) meetings held at the Conference Center.

2. 2:30 PM - Presentation by EDAW on North Tahoe Bike Trail Project

3. 3:30 PM – 5:00 PM Board Workshop to discuss the following:

i. Engineering Department Structure.

ii. National Avenue Water Treatment Plant

E. NEW BUSINESS:

1. Timed Item 2:30 PM - Presentation by EDAW on North Tahoe Bike Trail Project.

Sydney Coatsworth of EDAW presented a summary and status of the North Tahoe Bike Trail project. She introduced the Project Manager, Debbie Vreeland, and narrated a power point presentation noting the team involved in the project, the background and objectives, funding, key issues, and the project schedule. Discussion followed regarding the proposed surface for the trail as required by AASHTO (American Association of State Highway and Transportation Officials), which are the guidelines being adhered to by the CTC (California Tahoe Conservancy), a grantor of the project. Ms. Coatsworth said that a meeting was recently held with the stakeholders, which shed some light on the requirements of CTC and the Forest Service. Discussion followed regarding the timeline for public meetings, selecting a preferred alternative, receiving funding, beginning construction, and the consideration being given maintenance of the project. Ms. Vreeland noted that EDAW has not been charged with securing maintenance funds, but they can assist with identifying options. In response to a question from Commissioner Shuff regarding the changes in environmental conditions, Ms. Coatsworth said that the biologists are

considering each identified nesting areas for what impact the project may have. President Lewis thanked the EDAW representatives for the presentation.

2. Timed Item: 3:30 PM – 5:00 PM Workshop to discuss the following:

i. Engineering Department Structure

Director Lanini voiced concern about the decision-making structure and the need for manuals for every engineering procedure. He asked that prior to a new General Manager being hired, the department's operational process be revised so that decisions are overseen by the Public Works Director and that job descriptions and operation manuals be developed for the Engineering and Operations staff.

ACTION: O&P Committee to consider this and report to Board

ii. Water Treatment Plant

Mark Hammon stated that in response to the RFP, a potential consultant toured the National Avenue Water Treatment plant and noted possible code violations. Discussion followed and the Board agreed that any possible violations needed to be addressed.

It was moved by Director Lanini and seconded by Director Daniels to immediately retain an expert to identify potential code violations at the National Avenue Water Treatment Plant and to get any violations corrected without delay. All ayes. No noes. Motion carried unanimously.

Item F2 was discussed at this point as Director Lanini stated that no work should be done in the plant until any code violations are remedied because of safety issues. Discussion followed and the Board concurred with Director Lanini. **ACTION: Item F2, authorization for a Budget Adjustment for authorized SCADA work with Sierra Controls, will be tabled to the February Board meeting.**

It was moved by Director Lanini and seconded by Director Daniels to delay previously authorized SCADA work until identification and remediation of possible code violations at the National Avenue Water Treatment Plant have been completed. All ayes. No noes. Motion carried unanimously.

3. Approve Contract with Mark Hammon for services in conjunction with SCADA project(s) management.

This item was tabled.

4. Approve contract with Mark Hammon for Information Technology (IT) services.

Director Mooney asked that Mr. Hammon's reporting structure be more clearly identified. Discussion followed regarding the cost of labor, the department's structure, and the tie between productivity and fees.

ACTION: Chief Financial Officer Marple will define the scope of work and develop a contract for IT services for Board approval. Counsel is to review the proposed contract. The O&P Committee is also to review the contract prior to it being presented to the Board.

5. Approve: Chief Engineer Goebel recommends approval of a Development Plan and Schedule for Sewer System Management Plan as required by the Statewide General Waste Discharge Requirements.

Chief Engineer Goebel reviewed his recommendation, noting that although the O&P Committee did not recommend the plan because of staffing requirements, there is a legal requirement to adhere to the tasks noted. Discussion followed regarding the staff time necessary to complete the required tasks, the ability to perform the tasks by certain dates, and the long-term requirements of the Plan. It was noted that many of the required tasks were in process. Counsel Eskind said that the plan needs to be filed and that the commitments must be met unless emergencies arise.

It was moved by Director Bergmann and seconded by Director Daniels to approve a Development Plan and Schedule for Sewer System Management Plan as required by the Statewide General Waste Discharge Requirements. AYES: Directors Mooney, Bergmann, Daniels, and President Lewis. NOES: None. ABSTENTION: Director Lanini. Motion carried.

6. Personnel Committee recommends discussion related to scheduling of Special Board Workshop on Labor Negotiations.

It was agreed that a Closed Session Board workshop to formulate the District's position prior to labor negotiations be scheduled for Friday, February 12th. The Board asked that Dick Whitmore be present.

7. Board Workshop: Discussion and Action Related to Kings Beach State Recreation Area, Community Enhancement Projects, and the North Tahoe Community Conference Center.

Director Daniels declared a possible conflict of interest and was not present for this discussion, motion, or vote.

Director Bergmann explained that at last month's Board meeting a possible land swap was discussed, which may affect the District as regards the Conference Center, parking, and renewal of the Kings Beach State Recreation Area (KBSRA) contract with California State Parks. Discussion followed regarding the impact proposed local developments may have on the Conference Center, the costs and funding for the Center, Measure C obligations, and possible subsidies, noting that the appropriate agencies need to be contacted regarding the District's participation in any possible land-swap considerations or other decisions that could impact their properties. The Board acknowledged that when the developers have received a "go ahead" for their projects and present them to the District, there will be a better idea of what, if any, role the Conference Center will play, but that the timing is now appropriate to make Placer County aware of the need for subsidy.

It was moved by Director Lanini and seconded by Director Mooney to authorize Counsel Eskind to meet with the appropriate State of California and Placer County departments to communicate the District's interests and needs regarding subsidy, long-term maintenance, and operations of the Kings Beach State Recreation Area, the Conference Center, and parking lot. Further, Counsel is encouraged to request that Committee Chairs or Vice-Chairs accompany him at these meetings. All ayes. No noes. Motion carried unanimously.

8. Approve: Acting General Manager Schegg recommends Salary Range Adjustment of CFO Unclassified Exempt position to accommodate Board Salary Adjustment.

It was moved by Director Mooney and seconded by Director Bergmann to approve the salary range adjustment of the CFO Unclassified Exempt position to accommodate the Board salary adjustment. All ayes. No noes. Motion carried unanimously.

9. Approve: CFO Marple recommends approval of a contract with Liebert Cassidy Whitmore for Labor Counsel for Labor Negotiations.

It was moved by Director Daniels and seconded by Director Lanini to authorize Acting General Manager Schegg to execute an agreement with Liebert Cassidy Whitmore for labor counsel in the upcoming labor negotiations with Stationary Engineers Local 39. All ayes. No noes. Motion carried unanimously.

F. OLD BUSINESS:

1. Recreation and Park Commission

i. Draft Minutes from December 19, 2007 Meeting

2. Authorize: Acting General Manager Schegg recommends authorization for a Budget Adjustment for authorized SCADA work with Sierra Controls.

This item was addressed under item E2ii above and will be tabled to the February Board meeting.

3. Authorize: Associate Civil Engineer Taylor via Chief Engineer Goebel recommends approval of the filing of a Notice of Completion for the Beaver Street Water/Sewer Replacement Project

This item was considered in the Consent Calendar.

4. Approve: Chief Engineer Goebel recommends approval of amount to invoice Mountain Pipeline.

It was moved by Director Lanini and seconded by Director Mooney to authorize staff to bill Mountain Pipeline \$58,394.03 for the costs incurred from the Bay Street Emergency Sewer Main Replacement. All ayes. No noes. Motion carried unanimously.

G. CORRESPONDENCE

The Board reviewed all correspondence.

H. CONSENT CALENDAR

Director Lanini asked that Item H9 be pulled for discussion. CE Goebel explained that this project originally included Kingswood, Stagg, and Speckled/Cutthroat, but because of the extensive work needed at Cutthroat, he is

recommending dropping the Kingswood portion at this time. He believes that the work at Stagg will benefit the District and that money can be saved by “piggy-backing” onto a Placer County project in that area.

Director Mooney asked that Item H3 be pulled for discussion. He asked about the warranty and training for maintenance on the soccer field turf. Parks and Facilities Manager Long believes that the required 4 hours of training has been provided, but that manuals have not been received. The warranty is in place. Director Lanini asked that Item H3 be removed from the Consent Calendar and be considered separately.

It was moved by Director Lanini and seconded by Director Bergmann to add Item F3 from today’s agenda to the Consent Calendar and remove Item H3. ROLL CALL VOTE: Ayes: Directors Mooney, Bergmann, Daniels, Lanini, and President Lewis. Noes: None. Motion carried unanimously.

Item H3. Authorize: Parks and Facilities Manager Long recommends the following related to the North Tahoe Regional Park Soccer Field Project: Progress Payment #6 in the amount of \$87,960.90, a release of retention.

It was moved by Director Bergmann and seconded by Director Daniels to authorize Progress Payment #6 in the amount of \$87,960.90, a release of retention. ROLL CALL VOTE: Ayes: Directors Mooney, Bergmann, Daniels, Lanini, and President Lewis. Noes: None. Motion carried unanimously.

It was moved by Director Lanini and seconded by Director Daniels to approve the Consent Calendar, adding agenda Item F3 and deleting Item H3. ROLL CALL VOTE: Ayes: Directors Mooney, Bergmann, Daniels, Lanini, and President Lewis. Noes: None. Directors Mooney and Bergmann abstained from voting on any conflicts of interest noted on the Accounts Paid and Payable List. Motion carried.

The following actions were taken in the Consent Calendar:

1. The Board approved Accounts Paid in the amount of \$694,181.08 and Payable in the amount of \$372,337.80 for the period from December 10, 2007 to January 10, 2008.
2. The Board authorized approval of the following actions with Aspen Developers Corp. related to the Beaver Street Water/Sewer Replacement Project:
 - i. Contract Change Order #9 in the amount of \$2,707.01.
 - ii. Progress Payment #8 in the amount of \$19,787.17.

Item H3 was considered separately. See above.

4. The Board adopted Resolution 2008-1 Approving an Investment Policy for 2008.
5. The Board approved Amendment #1 to the Technical Assistance Agreement between the Department of the Army and North Tahoe Public Utility District.
6. The Board approved a Gratuity/Tip Policy for District Employees.
7. The Board appointed Kevin McDermott and John Shuff to the Recreation and Park Commissioners for the term of 3 years.
8. The Board authorized a Purchase Order for Temporary Drafting Services in an amount not to exceed \$20,000.00.
9. The Board approved amending and approving the Scope of work for the 2008 Water Main Replacement Project including Stag Drive and Cutthroat Avenue.
- F3. The Board authorized the filing of a Notice of Completion for the Beaver Street Water/Sewer Replacement Project.

I. MANAGEMENT TEAM INFORMATIONAL UPDATES
1. Acting General Manager/Public Works Director

ACTION: Acting General Manager Schegg to provide a list of businesses in the FOG report that did not pass with a “B” or better.

2. Attorney

There were no questions or comments.

3. Treasurer

There were no questions or comments.

4. Chief Financial Officer

a. Review and Discuss Monthly Financial Statement through November 2007

b. Monthly Labor Report

Director Mooney asked about the report showing that salaries and wages are over budget, yet benefits are under. CFO Marple explained that the cost for benefits did not increase as much as was budgeted for. Director Bergmann asked about the reduction of wedding business at the Conference Center. **ACTION: Conference Service Director Daniels to contact other venues in the area to determine if the downturn in wedding business indicates a trend and if they had to discount their rates in order to book business.**

5. Parks and Facilities Manager

PFM Long said that there are two seasonal staff people. She has three potential candidates for the Maintenance 1 position.

6. Conference Services Director

Director Bergmann reported that he, AGM Schegg, and CSD Daniels met with the North Lake Tahoe Resort Association (NLTRA) regarding software, marketing and collateral, and the website for the Conference Center, all of which could be covered by a grant from NLTRA of up to \$50,000.00. Discussion followed regarding the software being considered and the cost effectiveness of the \$20,000.00 item. It was noted that this portion of the grant may not be transferred to another use if the software is not purchased. Discussion continued regarding the need for County and State subsidies to keep the facility operating.

7. Public Works Director (See Item J-1 above)

There were no questions or comments.

8. Chief Engineer

Director Bergmann asked about the company reviewing force main response. CE Goebel said that a draft report has been received and comments are being added so that it can be finalized.

9. Utility Operations Manager

There were no questions or comments.

10. Committee Reports: a) Conference Center Committee; b) Finance Committee; c) Legal Committee; d) Operations and Planning Committee; e) Personnel Committee; f) Placer County RDA Committee; g) Recreation and Parks Committee.

There were no questions or comments.

11. President’s Comments

There were no questions or comments.

12. Director’s Comments

There was discussion regarding public input on the recent decision to approve Ordinance 371 related to ownership of sewer laterals. **ACTION: Add to next month’s Board agenda: Consider Ordinance 371 alternatives for appeal process, testing procedure.**

It was moved by Director Mooney and seconded by Director Daniels to stay the effective date of Ordinance 371 to May 1, 2008 in order for the Board to consider the alternatives for the appeal process and testing procedures. AYES: Directors Mooney, Bergmann, and Daniels. NOES: Director Lanini and President Lewis. Motion carried.

13. TTSA Director's Report

There were no questions or comments.

J. CLOSED SESSION AGENDA

The Board convened Closed Session at 7:20 PM to consider:

1. Public Employee Appointment/Recruitment of the following Position - Government Code Section 54957: Title: General Manager/CEO

2. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: Adjacent to Placer County APNs 115-050-028-000 and 115-050-029-000

Agency Negotiators: Board of Directors, Acting General Manager, and/or Counsel

Negotiating Parties: District and The Gar Wood Building, A California Limited Partnership

Under Negotiation: (1) Sewer Line Easement

(2) Access and Sewer Line Easement

3. CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Property: Adjacent to Placer County APN's 115-050-032-000, 115-050-033-000

Agency Negotiators: Board of Directors, Acting General Manager, and/or Counsel

Negotiating Parties: District and the following property owners: Basile, LEG Investments, Boxler. Under

Negotiation: (1) Sewer Line Easement

4. CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9: (3 cases)

Pursuant to subdivision (c) of Government Code Section 54956.9, the incident to which said anticipated litigation exists involves the Bay Street Sewer Main Repair and Sewer Line easements for portions of the Bay Street Sewer Main.

5. CONFERENCE WITH LEGAL COUNSEL – PENDING LITIGATION

Significant exposure to litigation pursuant to subdivision (b) of Government Code Section 54956.9: (1 case)

Pursuant to subdivision (c) of Government Code Section 54956.9, the incident to which said anticipated litigation exists involves an accident at the gate at the North Tahoe Regional Park.

Open Session was reconvened at 7:50 PM and 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 7:51 PM. The next scheduled meeting of the NTPUD Board of Directors is Tuesday, February 12, 2008

Respectfully submitted,

Judy Friedman, Recording Secretary

THE PAPER TRAIL SECRETARIAL & BUSINESS SOLUTIONS