

**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
March 11, 2008**

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

President Lewis called the meeting to order at 1:04 PM. Present were Directors Daniels, Bergmann, Mooney, Ferrell, 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, and Acting Clerk of the Board and Executive Assistant Lefrancois. Also present were Counsel Neil Eskind and Judy Friedman, Recording Secretary.

Director Ferrell left the meeting at approximately 4:00 PM.

B. OATH OF OFFICE

1. North Tahoe PUD Seat 1

Director Tim Ferrell was given the Oath of Office for Board Seat 1 by Acting Clerk of the Board Lefrancois.

C. REVIEW AGENDA

There were no changes or additions to the Agenda. The Board agreed that items might be taken out of order.

D. APPROVAL OF MINUTES

1. Approve minutes for February 12, 2008 Regular Board Meeting

It was moved by Director Daniels and seconded by Director Bergmann to approve the minutes of the February 12, 2008 Regular Board Meeting. Motion carried unanimously.

2. Approve minutes of the following Special Board meetings: February 11, 2008, February 15, 2008, February 21, 2008, February 26, 2008, and March 10, 2008.

It was moved by Director Bergmann and seconded by Director Daniels to approve minutes of the Special Board meetings of February 11, 2008, February 15, 2008, February 21, 2008, February 26, 2008, and March 10, 2008. Motion carried unanimously.

E. TIMED ITEMS

1. PUBLIC COMMENTS

There was no public comment.

2. 4:00 PM - League to Skate Lake Tahoe

F. MANAGEMENT TEAM INFORMATIONAL UPDATES

1. Acting General Manager

Director Mooney asked about the District's commitment for participation in the Tahoe Restoration Act. Acting General Manager Schegg explained the funding that may be available over a four year period for the joint application made with the Tahoe City and South Lake Tahoe Public Utility Districts and the re-prioritization of the CIP that may need to be considered in order to take advantage of the funds. The District commitment may be approximately \$11 million over the four years. He and President Lewis noted that this application provides an opportunity to consider new funding, but that the Board will have the option of accepting or rejecting the funds if the conditions are not compatible with CIP projects that have been identified.

Director Daniels noted that Unaccounted for Water numbers seem high and AGM Schegg agreed, noting that Utility Operations Manager Hopkins is looking into equipment that will assist with leak detection. In response to a question from Director Mooney regarding the disparity of numbers as regards meters, AGM Schegg explained the clusters that affect the reporting. When meters are installed, tracking will become clearer.

2. Attorney

Counsel Eskind stated that letters have been sent to Senate committees voicing concern about potential property taxes.

3. Treasurer

There were no comments or questions.

4. Chief Financial Officer

a. Review and Discuss Monthly Financial Statement through January 2008.

b. Monthly Labor Report

President Lewis asked if the Wages and Benefits Chart reflects all budgets, except fleet, noting that the year-to-date number is down slightly. CFO Marple said that there is less staff in the winter months and that the number would probably even out by year-end. Discussion followed on specific line items. **ACTION: CFO Marple will prepare a report noting Water and Sewer Fund's rate increase revenue dedicated to capital improvements.**

5. Parks and Facilities Manager

Director Bergmann asked for clarification on Parks and Facilities Manager Long's reference to the meeting with the North Lake Tahoe Resort Association (NLTRA) regarding the Integrated Transportation/Infrastructure Work Plan. Director Daniels explained that NLTRA is considering what projects may be included in the 5-year plan and General Manager Rogers had submitted a list of suggestions. PFM Long is now considering those projects to determine what should continue to be on the list. AGM Schegg said that he and Conference Service Director Daniels met with NLTRA yesterday regarding the Work Plan and noted that pending items include camping, a snowboard rail, skateboard park, and bike trail to Northstar. Although the completion of the Tahoe Vista Recreation Area parking area is not on the list, NLTRA could fund that. Discussion followed regarding projects that may be appropriate for the list and the need to clarify that there is no obligation regarding use rights and that all mitigation fees are to be designated to benefit the NTPUD. **ACTION: Counsel Eskind and AGM Schegg to develop a clarification for acceptance of Integrated Transportation/Infrastructure Work Plan funds.**

6. Conference Services Director

Conference Services Director Daniels said that numbers are currently down, but expects improvement by the end of the fiscal year. It was noted that the Committee recommended delaying the implementation of special rates being offered on the "Tuesday Program" until the wording and terms for the ordinance can be clarified.

7. Public Works Director (See F-1 Above)

8. Chief Engineer

Director Mooney asked about the new position that Chief Engineer Goebel is requesting. He asked about having Mark Hammon cover some of the position with the SCADA work and discussion followed regarding how much time was spent on IT projects in the last year. Discussion continued regarding the new engineering position, the tasks involved, and how CE Goebel sees the position being handled.

9. Utility Operations Manager

Director Bergmann asked about the recruitment for maintenance positions. Utility Operations Manager Hopkins said that there have been some fairly good applicants and that interviews will begin tomorrow. Discussion followed regarding the pipe repairs on Stag Drive. President Lewis asked about the landscape restoration that is done when the District does repairs on pipe in an easement. Discussion followed regarding the District's obligation, the property owners understanding that they may be making improvements over a District easement, the public relations aspect, and costs of restoring landscaping and other improvements. The Board agreed that the District needs to be as unobtrusive as possible, but that extensive restoration will not be done, as it is not the District's responsibility. Executive Assistant Lefrancois noted the articles and information that is made available to the public regarding this and other issues.

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 comments or questions.

11. Recreation and Parks Commission – Draft Minutes from February 27, 2008 Joint Workshop between Board and Commission

There were no comments or questions.

12. President’s Comments

President Lewis stated that an employment offer has been tendered to Curtis Aaron for the position of General Manager.

It was moved by Director Bergmann and seconded by Director Daniels to confirm the offer that was made to and accepted by Curtis Aaron for the position of General Manager, effective April 8, 2008. Motion carried unanimously.

13. Director’s Comments

There were no comments or questions.

14. TTSA Director’s Report

There were no comments or questions.

G. NEW BUSINESS

1. Appointment to Board Committees

It was moved by Director Bergmann and seconded by Director Mooney to accept the appointments to Board Committees as noted. Further, the first person noted on each Committee will serve as Chair of that Committee. Motion carried unanimously.

- a. Finance Committee – Frank Mooney and John Bergmann
- b. Operations and Planning Committee – Lane Lewis and Tim Ferrell
- c. Conference Center Committee – Frank Mooney and John Bergmann
- d. Legal Committee – Frank Mooney and Tim Ferrell
- e. Recreation and Parks Committee (also act as advisors to Recreation and Parks Commission) – John Bergmann and Sue Daniels
- f. Personnel Committee – Sue Daniels and Tim Ferrell
- g. Redevelopment Authority Committee/Placer County – Frank Mooney and John Bergmann

2. Approve: CFO Marple recommends approval of the Budget Parameters for 2008-2009 fiscal year.

Chief Financial Officer Marple reviewed his recommendation, noting that Finance Committee requests have been incorporated into the Budget Parameters. He said that the parameters may need to be adjusted depending upon the impact of the State of California property tax collection, which is unknown at this time. Discussion followed regarding how to consider the unknown increases in utility rates and fuel. AGM Schegg suggested an analysis during the first quarter of the budget year and that budget adjustments be considered at that time.

It was moved by Director Mooney and seconded by Director Daniels to approve the Budget Parameters for the 2008/09 Fiscal Year. Motion carried unanimously.

3. Action: Board consider nominating a Director as Special District representative for election to the Placer County Local Agency Formation Commission (LAFCO).

Counsel Eskind explained that John Moberly is currently the representative from Eastern Placer County and if he reappplies, he will probably be reappointed. If he does not reapply, the District should nominate someone. Counsel Eskind reviewed the duties of the position and the issues that are considered by LAFCO. **ACTION: AGM Schegg to call John Moberly to see if he intends to apply for the position.**

It was moved by Director Bergmann and seconded by Director Daniels to nominate Director Mooney to the LAFCO position if John Moberly does not intend to seek a second term. Motion carried unanimously.

H. OLD BUSINESS

1. 4:00 PM Timed Item - Presentation by the League to Skate Lake Tahoe – Approve Request for Site Designation at the North Tahoe Regional Park for Continuing Design and Fundraising.

Mick Nicklin of the League to Skate Lake Tahoe distributed and reviewed a “Compare/Contrast Site Locations” document showing the pros and cons of two sites at the Regional Park that could accommodate a skateboard park.

Discussion followed regarding the work that would need to be done on each site, the potential benefit to the Park of a skateboard park, and the long-term maintenance requirements. It was the consensus of the Board that Site 1 is the preferable location for the skateboard park.

2. Authorize: Acting General Manager Schegg recommends authorizing District participation in Shaded Fuel Break Program by North Tahoe Fire Protection District on the NTPUD's Firestone Property.

AGM Schegg reminded the Board that the District was asked to participate in the North Tahoe Fire Protection District's Shaded Fuel Break Program, but the 25% matching contribution needed from NTPUD was not available. Since then, the Fire District has suggested an in-kind pilot program where they could use District owned land on the Firestone area in return for the contribution. The land would be used for chipping operations of material that would then be sent to a biomass plant in Loyalton. Dave Rubin and Stu McMorrow of the Fire District addressed the Board, offering additional detail on the proposal, including the chipping equipment that will be used, why access to the site through the Regional Park is more desirable than through Dollar Hill, the possible impact on other users of the Park, and who would assume the liability for the chipping operation. The issue of noise was considered. Discussion continued regarding the parameters of the pilot program, alternative sites, the possible benefits to homeowners in the District, and terms that may be included in an agreement, including a "cancellation" clause that would stop the operation if it becomes too intrusive. It was noted that although the Fire District's collection program begins in June, the actual chipping would not begin until mid-August.

It was moved by Director Ferrell and seconded by Director Daniels to move forward with participation in the Shaded Fuel Break Program by allowing the North Tahoe Fire Protection District to use the upper bowl area in the North Tahoe Regional Park for a chipping program. Use of this land will provide the 25% match required for NTPUD's participation in the program. District Counsel is to draft an agreement that will include a cancellation clause based on impact to the Park. The Operations and Planning Committee is to review and approve the agreement prior to implementation. ROLL CALL VOTE: Ayes: Directors Bergmann, Daniels, Ferrell, and President Lewis. Noes: Director Mooney. Motion carried.

I. CORRESPONDENCE

The Board reviewed all correspondence.

J. CONSENT CALENDAR

Items J9 and J10 were removed for discussion:

CE Goebel explained the two projects and specifics of each. President Lewis noted that O&P recommends approval of both items. Discussion followed regarding the scope of work and the "not to exceed" restrictions. Director Ferrell voiced concern that time and money may be spent with no clear results if the funds spent reach that point. AGM Schegg stated that the Engineering Department is hoping to outsource this portion of the project because they are short-staffed and there is a timeframe dictated by Caltrans. It is unknown what the actual projects will cost until this evaluation of the scope of work is completed. Discussion followed on the tasks that the consultants will be doing. Tim Taylor from Auerbach Engineering said that they would evaluate what the project will entail and provide information on the costs of getting it done before they proceed too far. He stated that he couldn't imagine it would take more than ½ of the funds allocated to provide that evaluation. Pat Perkins of Harris and Associates agreed.

Director Mooney asked if the position that CE Goebel is recommending adding to the Department could accomplish this work. Discussion followed regarding the current staffing of the Department and the new position that is being considered. CE Goebel stated that he is hoping that the new position will provide more project management for the CIP work and be a utility locator. Because he has one person out for an unknown period of time, he is recommending outsourcing of the tasks under consideration in J9 and 10. Director Ferrell said that he understands that this request is due to a staff shortage, but asked that O&P consider this and evaluate how staff time is being spent.

Item J8 was removed for discussion:

Director Mooney voiced concern about approving this position without review by the incoming General Manager and Director Ferrell. Discussion followed and CE Goebel explained how the current staffing levels is affecting the Department. Director Bergmann asked about the new equipment being purchased for pipe location and CE Goebel reviewed the timeframe for training, explaining that training is included in the purchase price. He is hoping to

cross-train someone for utility locating immediately. Discussion continued regarding the current staffing and workload of the Department, the impacts of delaying this decision for 30 days, and the appropriate tasks that could be outsourced. This item will be removed from the Consent Calendar to be voted on separately.

It was moved by Director Daniels and seconded by Director Bergmann that approval of a full time regular Assistant Engineer Position be reviewed by the O&P Committee. The Board will consider their recommendation at the April meeting. Motion carried unanimously.

Item J14 was removed for discussion:

A brief discussion was held regarding the sub-contractor being considered.

Item J17 was removed for discussion:

AGM Schegg explained that the budget amendment is being requested to include the project budget for the level of work authorized by the Board, which was unknown until now. President Lewis explained that O&P sent this to Finance for consideration and that this is just an acceleration of the reserves.

It was moved by Director Daniels and seconded by Director Bergmann to approve the Consent Calendar, with the removal of Item J8. ROLL CALL VOTE: Ayes: Directors Mooney, Bergmann, Daniels, Ferrell, and President Lewis. Noes: None. Director Mooney abstained from voting on Items J2 and J5 and he and Director 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 \$189,447.71 and Payable in the amount of \$139,343.11 for the period from February 12, 2008 to March 11, 2008.
2. The Board approved Extension of the Summer Recreation Concession Contract with North Tahoe Watersports at Kings Beach State Recreation Area.
3. The Board approved an extension of the contract with Placer County in the amount of \$75,459.00 for Maintenance on Placer County beaches in 2008.
4. The Board authorized moving \$5000.00 from Recreation and Parks reserves for a portion of the seed money for the Friends of the Park Fund and provide an expenditure up to \$1000.00 for expenses related to start up in accordance with District purchasing policies.
5. The Board authorized a Call for Bids for the 2008 Misc. Patch Paving Contract.
6. The Board authorized a Call for Bids for Bulk Sodium Hypochlorite Solution.
7. The Board authorized a Call for Bids for a Mini Excavator.
8. ITEM REMOVED FOR SEPARATE CONSIDERATION - Chief Engineer Goebel recommends approval of a full time regular Assistant Engineer Position.
9. The Board approved a Professional Service Agreement with Auerbach Engineering for Review and Design Services related to the Caltrans Highway 28 Environmental Improvement Project not to exceed \$15,000.00.
10. The Board approved a Professional Service Agreement with Harris and Associates for Review and Design Services related to the Brockway Erosion Control Project not to exceed \$15,000.00.
11. The Board authorized Purchase of Locating Equipment from Pinpoint Products in the amount of \$7,430.00.
12. The Board authorized Release of Retention for the Carnelian Grinder Pump Project in the amount of \$5416.00.
13. The Board authorized entering into an Engagement letter with Dewante and Stowell for Mello Roos Engineering in the amount of \$10,500.00.
14. The Board authorized a Work Expenditure Adjustment for SCADA work with Sierra Controls in the amount of \$48,700.00.
15. The Board authorized hiring an Appraiser for Water Tank Storage Site for an amount not to exceed \$9500.00.
16. The Board approved the "Can the Grease" Campaign and Budget Adjustment for the Residential FOG program in the amount of \$3500.00.
17. The Board approved a Revision to the Scope of the 2008 Water Main Replacement Project and an adjustment to the Fiscal Year 2007/2008 Budget for the 2008 Water Main Replacement Project.
18. The Board authorized applying for a grant through the Placer County Water Agency.

19. The Board approved an Easement Agreement with Steeple Cove LLC Related to Sewer Line at 7212 N. Lake Blvd, APN 117-110-013.
20. The Board approved recommends actions related to the approval of contracts with Mark Hammon to provide:
 - i. Information Technology Services
 - ii. Project Management Services for the Supervisory Control and Data Acquisition (SCADA) Project.

K. CLOSED SESSION AGENDA

There was no Closed Session.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 5:46 PM. The next scheduled meeting of the NTPUD Board of Directors is Tuesday, April 8, 2008.

Respectfully submitted,
Judy Friedman, Recording Secretary
THE PAPER TRAIL SECRETARIAL & BUSINESS SOLUTIONS