

**MINUTES OF THE
NORTH TAHOE PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS MEETING
North Tahoe Community Conference Center
8318 North Lake Boulevard, Kings Beach, CA 96143
May 13, 2008**

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

President Lewis called the meeting to order at 2:04 PM. Present were Directors Bergmann, Daniels, Ferrell, and President Lewis. A quorum was established.

Staff present was General Manager/CEO Aaron, Public Works Director Schegg, Chief Engineer Goebel, Utility Operations Manager Hopkins, Parks and Facilities Manager Long, 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.

B. REVIEW AGENDA

The Board reserves the right to take items out of order. The Board approved the following changes requested by General Manager Aaron:

1. That the Consent Calendar Item D9 regarding the Boys and Girls Club contract be revised to include, "subject to approval of the contract by District Counsel."
2. Revise the "not to exceed" amount in Item G1, regarding the amendment to the PSA with Eastern Sierra Engineering for Construction Phase Services for the 2008 Water Main Replacement Project to \$52,840.00

C. TIMED ITEMS

1. 2:05 PUBLIC COMMENTS

President Lewis introduced GM Aaron to the audience.

Chris Nolder, owner of a motel on Trout Street, voiced his displeasure with NTPUD for using the area next to his motel for a constructing staging area for sewer and water projects last summer. He cited noise and dust impacts both to his property and the general neighborhood. Mr. Nolder said that he had no problem with the area being used for storage, but not for staging. GM Aaron said that other complaints had been received and letters from property owners and residents had been included in the Board packet. He is working with staff to resolve the issue.

Andy Covakavic, another neighbor in the area, addressed the Board regarding the same issue. President Lewis acknowledged the problem and assured those present that GM Aaron will do his best to mitigate the impacts.

Jake McDermott, an employee of the District, reviewed his duties and said that he was told when he applied for another position that his application would remain in an active file for any other appropriate available positions. He feels that he was passed over when other jobs became available and asked that the Board consider his situation. President Lewis explained that this is a personnel issue. **ACTION: GM Aaron will review this situation with the Personnel Committee and provide a written response to Jake McDermott.**

Alex Mourelatos updated the Board on a recent meeting he had with the North Tahoe Resort Association (NLTRA), and Rick Colwell and Jennifer Merchant, both representing Placer County. The group considered using Transient Occupancy Tax (TOT) funds for the Conference Center. However, due to possible conflicts with other NLTRA members who also have conference facilities, this idea was deemed unsatisfactory. Mr. Mourelatos feels that there are still options for financial assistance to be discussed

with NLTRA and will pursue that conversation. Mr. Mourelatos said a side benefit of the Conference Center issue is that the lodging providers are having greater dialog about other issues, as well.

2. 4:30 PM – Public Presentation: Jasmine Marquez 2008 Boys and Girls Club Youth of Year-State of California.

3. 5:00 PM - EDAW Presentation on North Tahoe Regional Bike Trail Alignment Alternatives.

D. CONSENT CALENDAR

Director Daniels asked that Item D4 be pulled for discussion.

Director Bergmann has spoken with Chief Financial Officer Marple and provided more detail on Item D6, noting this is a 60-month contract at 4%.

Discussion on Item D4 – Director Daniels and GM Aaron were in Sacramento yesterday to meet with Legislators and other Special District representatives regarding the possible impact of the California budget crisis on Special Districts. Director Daniels explained that there could be cuts as large as 75% to what NTPUD receives from sewer taxes, as the State may appropriate those funds. Because of that, she suggests that the Board consider the NTPUD sewer budget to be in emergency status and that spending be curtailed until the impacts of the budget situation are clearer. She asked if the item requested in the Consent Calendar is an emergency and if there may be an imminent pipe failure. Public Works Director Schegg explained the pending easement issues in that area, noting that a study is being done to see what alternative access points may be available. He said that deferring the proposed work would also defer property rights in the area and that currently, the pipe is sagging. Discussion followed regarding postponing the decision before the Board in the Consent Calendar and the alternative measures that could be taken in the event of a blockage or pipe failure. It was the consensus of the Board to pull item D4 from consideration until there is more information on the proposed State budget, as this request would be funded from sewer taxes.

It was moved by Director Daniels and seconded by Director Daniels to approve the Consent Calendar, with the deletion of Item D4. ROLL CALL VOTE: Ayes: Directors Bergmann, Daniels, Ferrell, and President Lewis. Noes: None. Director Bergmann abstained from voting on any conflicts of interest noted on the Accounts Paid and Payable. Motion carried.

Because of the addition of Counsel's approval of the Boys and Girls Club contract (D9), Kelly Atchley, President of the Board of the Club, asked for a timeframe on Counsel's review. **ACTION: Counsel Eskind to contact Isabelle Rodriguez-Wilson of the Boys and Girls Club by the end of this week to set up a meeting for review of the contract.**

The following actions were taken in the Consent Calendar:

1. The Board approved Accounts Paid in the amount of \$151,709.66 and Payable in the amount of \$422,116.53 for the period from April 8, 2008 to May 13, 2008.
2. The Board approved the minutes of April 8, 2008 Board of Directors Meeting.
3. The Board authorized Call for Bids for the 2008 Water Main Replacement Project.
4. The Board approved Professional Services Agreement with Stantec Consulting Inc. for the Bay Street Sewer Alternatives Evaluation in the amount of \$28,178.00.
5. The Board authorized Electrical Engineering Services Related to National Avenue Water Treatment Plant and SCADA System Expansion with Boyle Engineering Corporation in the amount of \$39,147.00.
6. The Board adopted Resolution 2008-11 authorizing the execution and delivery of an installment sale agreement, and authorizing and directing certain actions in connection with the acquisition of a Closed Circuit Television System and Vehicle.
7. The Board approved continuation of the assignment of Pam Lefrancois to the position of Acting Clerk of the Board for a period of four (4) months.
8. The Board authorized Request for Proposals for North Tahoe Community Conference Center

Software program.

9. The Board approved the contract with the Boys and Girls Club of North Lake Tahoe for provision of services & recreation programs with a 5 year term, subject to approval of the contract by District Counsel.

E. MANAGEMENT TEAM INFORMATIONAL UPDATE

1. General Manager/CEO

i. Discussion regarding budget workshop and budget adoption.

ACTION: GM Aaron to schedule a budget workshop for Tuesday June 17, 2008 from 8am – 11am.

ii. Discussion regarding change of time for Board meetings.

GM Aaron polled the Board members to see what time of day worked best for Board meeting, but there was no consensus reached. The Board considered the how to best accommodate staff time and allow for public comment. It was decided that the meetings would alternate between a start time of 9:00 AM and 12 Noon for the next four months. The June 10th meeting will begin at 9AM, the July meeting at 12 Noon, and so on. President Lewis asked that agendas be scheduled to optimize staff time and if a major issue is to be considered, a special meeting be convened in order to encourage public comment.

GM Aaron commended Director Daniels on the great job that she did in representing NTPUD at the California Special Districts meeting yesterday in Sacramento. He reviewed some of the issues discussed at the meeting.

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 March 2008

President Lewis asked about the anticipated deficit for the Conference Center. Director Bergmann spoke with CFO Marple, who anticipated a deficit of approximately \$120,000 for this year vs. \$32,000 for last year. The impact of possible rate increases from Sierra Pacific Power also has to be considered. Discussion followed regarding possible cost increases. Director Bergmann explained some of the cost-cutting measures being considered for the facility and suggested that the Board be fully aware of the diligence that will be required to reduce the deficit.

b. Monthly Labor Report

President Lewis asked about the year-to-date labor costs and Director Bergmann explained the payout on former GM Roger's retirement. He noted that even given that, there perhaps should have been a net savings and will speak with CFO Marple.

5. Parks and Facilities Manager

Director Bergmann asked about the ADA compliant path that needs to be built. Parks and Facilities Manager Long explained where the path would be located and stated that there is NLTRA grant money still available that could be paid to a paver so that the staff doesn't need to do the labor. Discussion followed regarding the requirements of the path, the materials to be used, the costs, and how to fund it. GM Aaron said that an asphalt pathway would be installed as a temporary measure until the funds to finish the track are available. When that is completed, a permanent path will be installed.

The Board considered the maintenance of the softball field and the Caltrans snow storage contract. **ACTION: PFM Long to confirm what account the Caltrans funds are being deposited into.** Director Bergmann asked about billing NLTRA for the remaining funds for the soccer field and GM Aaron said that Ron Treabess has asked NTPUD for an invoice to pay. President Lewis asked about Placer County Park Dedication fees. **ACTION: PFM Long to look into the current status of receiving Park Dedication Fees.**

Director Bergmann asked for the status of TVRA Phase 2 funds. PFM Long is continuing to follow up. **ACTION: PFM Long to provide a status report on TVRA Phase 2 funds at the next Board meeting and update the Recreation Committee.**

6. Conference Services Director

Conference Services Director Daniels noted that an employee has resigned. Director Bergmann asked how the Tuesday/Thursday reduced rate program is working and CSD Daniels said that the community has been receptive to the program. She has not computed the actual costs and effectiveness of the program. It was noted that Nutro would not be renewing after this year, an anticipated loss of approximately \$50,000/year.

7. Public Works Director

i. Status of NAWTP Report

PWD Schegg reviewed the incident report regarding the planned maintenance activity. He said that although it was an expensive process, there was a good learning experience in documenting it and that this method provided an opportunity for faster learning. In response to a question from President Lewis, PWD Schegg said that he is meeting with Boyle tomorrow, however they have been working together via telephone. Discussion followed regarding the SCADA installation and the upgrades that will eventually be required.

President Lewis asked about unaccounted for water. Utility Operations Manager Hopkins said that although they have been using the correlator for less than a month, many leaks have already been reported. He will continue to collect data and review the system through an entire cycle before making a report to the Board. He explained that about 7000' of line can be covered in one day and described how baselines will be established. In response to a question from Director Lewis, UOM Hopkins said that he expects to be able to survey the entire district in a year's time.

8. Chief Engineer

Director Ferrell asked the cost to design the 2008 project and Chief Engineer Goebel believes the original was below \$100,000, but will confirm that.

9. Utility Operations Manager

GM Aaron stated that he is impressed with the amount of leak-detection work that UOM Hopkins has accomplished in just one month with the new equipment.

UOM Hopkins said that once the entire district has been surveyed, a work plan for moving forward would be designed. Discussion followed regarding how the equipment works and what using it will mean for the overall District projects.

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. Recreation and Parks Commission – Draft Minutes of April 23, 2008 meeting.

There were no questions or comments.

12. President's Comments

There were no questions or comments.

13. Director's Comments

There were no questions or comments.

14. TTSA Director's Report

President Lewis reported that the School District is asking for use of TTSA property for maintenance and food preparation areas, but that TTSA wants to maintain a buffer zone around the plant, so probably won't grant the request. He said that after one more item, the contractor for the plant will have been paid in full.

F. NEW BUSINESS:

1. Approve: NTPUD Vote for Election of Special District Representative to the Local Agency Formation Commission (LAFCO).

It was moved by Director Bergmann and seconded by Director Daniels to authorize President Lewis to vote for John Moberly as the Special District Representative to LAFCO. Motion carried unanimously.

G. OLD BUSINESS:

1. Approve: Amendment to the PSA with Eastern Sierra Engineering for Construction Phase Services for the 2008 Water Main Replacement Project, Not to Exceed \$53,840.

CE Goebel explained why the price was reduced for this amendment (from \$93,498 to \$53,840). Director Ferrell feels that this cost is still high and suggested that staff do the tasks outlined. Discussion followed on what the cost includes, what tasks District staff may and may not be able to do on this project, and other contractors that could be considered for staking and testing. It was noted that this is a time and materials contract. GM Aaron added that having staff do this project might not be the best use of their time, which is why they are recommending it be outsourced.

It was moved by Director Ferrell and seconded by Director Bergmann to approve the amendment to the PSA with Eastern Sierra Engineering for Construction Phase Services for the 2008 Water Main Replacement Project, Not to Exceed \$53,840. All ayes with an abstention from Director Daniels. Motion carried.

Closed Session was convened at 5:00 PM (see agenda below). Open Session was reconvened at 5:30 PM. No action was taken during Closed Session. Director Ferrell left the meeting at this point, immediately following the Closed Session and prior to the timed EDAW presentation.

2. EDAW Presentation on North Tahoe Regional Bike Trail Alignment Alternatives.

EDAW Project Manager Debbie Vreeland introduced Philip Sayles with Alta Planning and Design who narrated a power point presentation on the proposed bike trail. The Board considered the chart presented, "Summary of Constraints," which compared the three route alternatives presented. Discussion followed. President Lewis said that there is consensus on the Board to direct EDAW to review Routes 1 and 2. He noted that Route 1 is the preferred alternative, although there is still concern about funding the maintenance. Peter Eichert from the California Tahoe Conservancy (CTC) explained the review process. Ms. Vreeland spoke to the steps that have been taken to bring all the partners together for this project, including TRPA and the Forest Service.

H. CORRESPONDENCE

The Board reviewed all correspondence.

I. PUBLIC PRESENTATION

1. The Boys and Girls Club of North Lake Tahoe Present Jasmine Marquez – 2008 Boys and Girls Club Youth of the Year – State of California Representative.

Isabelle Rodriguez-Wilson, Director of the Boys and Girls Club of North Lake Tahoe explained the charter of the Club and the competitions leading to the national Youth of the Year. She introduced local Club member Jasmine Marquez, who has won the title, California Youth of the Year. Jasmine addressed the Board, thanking them for their support of the Club, explaining the title she has recently won, and presenting the speech that she will deliver at the Regional competition. President Lewis noted the many accomplishments of the Club and thanked them for their contributions to the community.

J. CLOSED SESSION AGENDA

1. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – 54956.8

Property: APN 111-010-005, -013, -014

Negotiating parties: North Tahoe Public Utility District and Thomas H. Gentry Trust

Under negotiation: Consideration of Property Acquisition

2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR – 54956.8

Property: 8318 North Lake Blvd.

Negotiating parties: North Tahoe Public Utility District and Placer County

Under negotiation: Operating arrangement for North Tahoe Community Conference Center

3. CONFERENCE WITH LABOR NEGOTIATOR – Section 54957.6

Agency Negotiators: Richard Whitmore, Liebert Cassidy Whitmore; Leon C. Schegg; Sandra Conroy, Larry Marple

Employee Organization: Stationary Engineers Local 39; Maintenance and Operations Unit and Accounting, Parks, Engineering, Conference and Clerical Unit.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 6:41 PM. The next scheduled meeting of the NTPUD Board of Directors is Tuesday, June 10, 2008 at 9:00 AM.

Respectfully submitted,

Judy Friedman, Recording Secretary

THE PAPER TRAIL SECRETARIAL & BUSINESS SOLUTIONS