

**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
June 10, 2008**

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

President Lewis called the meeting to order at 9:03 AM. Present were Directors Bergmann, Mooney, 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.

General Manager Aaron asked that both Closed Session items be pulled from today's agenda.

C. TIMED ITEMS

1. PUBLIC COMMENTS

Jerry Wotel commented on a petition submitted to the Board from neighbors affected by the Tahoe Estates erosion control project.

Cindy Wotel voiced concern about the tractor operator not being able to finish his work due to concerns about damage to water pipes.

Patty Orlando addressed the Board regarding parking fees for Jazzercise participants and residents using the Conference Center, the Boat Ramp, Beach, and Regional Park.

2. 9:15 AM – Update on Tahoe Vista Recreation Area Phase II.

3. 10:30 AM – Presentation by Stantec on Pump Station Master Plan Project.

4. 11:00 AM - Discussion and Direction: Future use and operational direction of the North Tahoe Community Conference Center.

D. CONSENT CALENDAR

President Lewis asked that Items 8 and 9 be pulled for discussion. Director Bergmann asked to discuss Item 10. Director Daniels noted a correction in the minutes in Item 2.

Item 10 – Director Bergmann asked if the work is being done this summer. Chief Engineer Goebel explained that the funds will come from the next fiscal year, but the work is being done this summer.

Item 8 – President Lewis asked about the ownership name in the partnership agreement, noting the recent passing of the principal. Counsel Eskind will make the necessary changes. Discussion followed regarding the status of the project. CE Goebel said that final plans have not been received. Ed Bertagnolli of Sunset Pines said that the engineer is revising the plans to meet NTPUD standards. CE Goebel asked that GM Aaron authorize the work to proceed once all the documents are received. Discussion continued about the need to complete all necessary work prior to the parcels being sold, the need for District approval before any water or sewer connections are done, and the easement through the Lawrence's lot. **ACTION: Counsel Eskind and GM Aaron to meet with Mrs. Lawrence to review the situation regarding the easement. ACTION: Counsel Eskind to put correct names on the easement and add a clause regarding completion of the project and clarifying the District's rights.**

President Lewis directed Counsel Eskind, GM Aaron, and CE Goebel to get the necessary issues resolved in order to allow the contractors and District to assume the lines. GM Aaron will update the Board on the status of this issue in his written reports. Discussion continued regarding the origination of the agreements, as per the easements created in the 1920s by Brockway Land & Water, the changes that have been made since that time, and the current status.

Item 9 – President Lewis said this issue was considered by the O&P Committee prior to the bids going out for Cutthroat. The Committee recommended that any excess funds be used in the Rim/Fawn area as it is preferred that complete projects be done as much as possible, instead of piece-mealing. CE Goebel explained his request to expand the project. The Board considered the District’s options as regards what Placer County is willing to do. President Lewis asked if there would be a benefit to sewer line if the water line were moved. **ACTION: Public Works Director Schegg to determine if sewer money should be used for this project and advise the O&P Committee.**

Director Mooney said that the Finance Committee questioned whether or not rate increase funds should be used for this project or is that money earmarked specifically for the grid. Discussion followed regarding that point of view, the need to put dollars where they would best benefit the District as a whole, and the areas in highest need of repair.

It was moved by Director Bergmann and seconded by Director Ferrell to approve the Consent Calendar. ROLL CALL VOTE: Ayes: Directors Bergmann, Daniels, Ferrell, and President Lewis. Noes: None. Directors Bergmann and Mooney abstained from voting on any conflicts of interest noted on the Accounts Paid and Payable. Director Daniels abstained from voting on Item 8. Motion carried.

The following actions were taken in the Consent Calendar:

1. The Board approved Accounts Paid and Payable for the period from May 13, 2008 to June 10, 2008.
2. The Board approved the minutes of May 13, 2008 Board of Director’s Meeting as amended.
3. The Board authorized the following action related to the 2008 Water Main Replacement Project:
 - i. Work Assignment #1 to Eastern Sierra Engineering in an amount not to exceed \$5500.00 for design of the water main replacement in Wolf Street; and,
 - ii. Award of bid to Cruz Excavating in the amount of \$568,425.00 and authorize a 10% contingency; and,
 - iii. Change Order #1 with Cruz Excavating in an amount not to exceed \$40,000.00 adding Wolf Street to the project area; and,
 - iv. A budget reduction of \$479,000.00 from \$1,329,000.00 to \$850,000.00.
4. The Board approved Resolution 2008-12 Naming Signatories for Friends of the Park Account at the Truckee Tahoe Community Foundation.
5. The Board approved Budget Adjustment in an amount not to exceed \$9000.00 for installation of interpretive panels and the bronze plaque naming grantors at Tahoe Vista Recreation Area.
6. The Board approved the Engagement letter with Damore Hamric and Schneider for Annual District Financial Audit.
7. The Board authorized entering into a Line Extension Agreement with Sierra Pacific Power Company for a water line on Deer Street.
8. The Board authorized entering into a Line Extension Agreement with Sunset Pines, a General Partnership, for the Sunset Pines Subdivision.
9. The Board authorized the following related to the Tahoe Estates Erosion Control Project:
 - i. Change Order to existing MOU with Placer County for additional water line replacement work on Fawn Lane; and
 - ii. Enter into a Professional Services Agreement with CDM for design of the additional line replacement on Fawn Lane in an amount not to exceed \$25,000.00; and
 - iii. Change Order with Gold Valley Construction, via Placer County, for additional water line replacement work on Fawn Lane; and
 - iv. A budget adjustment in the amount of \$314,500.00 to accomplish the work above.
10. The Board approved the following related to the Kingswood West Booster Pump Station Stairs Project:
 - i. Professional Services Agreement with Gary Davis Group for structural work, engineering design, and permitting in an amount not to exceed \$13,945.00; and
 - ii. A budget adjustment in the amount of \$18,800.00 to accomplish the work above.

E. MANAGEMENT TEAM INFORMATIONAL UPDATES

1. General Manager/CEO

- i. Request to underwrite the price of parking for the classic car show on September 21st from 5-7 PM.**

GM Aaron reviewed this request from the Recreation Commission to waive the parking fees in order to host a car show for approximately 65 automobiles. There will be no booths or sale of merchandise.

It was moved by Director Daniels and seconded by Director Bergmann to waive the KBSRA parking fees for a Classic Car Show on September 21, 2008 from 5:00 to 7:00 PM. Motion carried unanimously.

ii. Discussion regarding time of Board meetings.

The Board considered options for the start times of Board meetings. It was agreed to keep the schedule developed at the May Board meeting for the rest of 2008.

GM Aaron noted the newsletter that was sent out this month with the consumer confidence report. He reported that the TTSA managers met and each one will do an article for the *Sierra Sun* regarding the potential of the State taking Special District funds.

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 April 2008

b. Monthly Labor Report

There were no questions or comments.

5. Parks and Facilities Manager

Director Bergmann asked if the erosion control grant covered the paving of the tennis court roads. Parks and Facilities Manager Long explained the terms of the grant, how the tennis court road may be paved, and the status of the grants and other funding for projects. President Lewis asked if replacing the playground equipment is going to be in the next budget and PFM Long said no as there is no money in the reserves. Discussion followed regarding the possibility of "Friends of the Park" funding that project. PFM Long reviewed her meeting with Pam Armas regarding Kings Beach State Recreation Area, noting the areas they walked, Ms. Armas' observations and their discussions regarding the need for the State to help fund the operations.

6. Conference Services Director

Director Bergmann noted that there is no recruitment being done to replace the employee that left.

7. Public Works Director

The Unaccounted for Water (UAW) and FOG reports were reviewed. PWD Schegg said that Mark Hammon's activities have been redirected away from IT and that most of his time is spent in managing various parts of SCADA and the National Avenue controls, as well as assisting the techs in work on the pump station emergency response.

8. Chief Engineer

There were no additional questions or comments.

9. Utility Operations Manager

The Board considered the goals for UAW numbers and what the leak detection equipment can and cannot accomplish. Discussion followed regarding how to make repairs cost efficient based on projects that may be coming up for the affected area.

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 May 28, 2008 meeting.

There were no questions or comments.

12. President's Comments

There were no questions or comments.

13. Director's Comments

Director Bergmann said that the newly printed "Friends of the Park" brochure would be included in next month's billing statement and the monthly newsletter. President Lewis asked how the District's responsibility to provide playground equipment is being met. PFM Long said that some time ago, it was suggested that more equipment be purchased and to approach local service groups for funding. She explained that at this point, a proposal with plans and specs needs to be done in order to determine exactly what is needed and then the funding can be considered. Discussion followed regarding the range of equipment that may be considered for different age groups. It was noted that the Ferrari Playground also is in need of repair. **ACTION: PFM Long to contact Ferrari Foundation regarding repairs to their playground.**

PFM Long explained the use of the baseball fields by the school and discussion followed regarding naming the fields to commemorate exceptional efforts and funding sources.

14. TTSA Director's Report

There were no questions or comments.

F. CORRESPONDENCE

The Board reviewed all correspondence.

G. NEW BUSINESS

1. California Special Districts Association Call for Nominations for the Board of Directors.

It was moved by Director Bergmann and seconded by Director Mooney not to nominate any staff or Board members to the CSDA Board at this time. Motion carried unanimously.

2. 9:15 AM Timed Item - Tahoe Vista Recreation Area Phase II Update.

PFM Long noted the report and timeline included in the Board packets. She introduced Adrian Tieslau and Wyatt Ogilvy who narrated a Power Point presentation giving an overview of the history and current status of the project. Discussion followed regarding the permitting requirements and the work still to be done to get the project completed. **ACTION: GM Aaron is to provide the Board with a timeline for completion in order to formulate and execute a funding plan.**

3. Consideration of Claims:

i. Jordan Azteff, 233 Bend - \$6,444.00.

The Board reviewed this claim.

It was moved by Director Mooney and seconded by Director Bergmann to deny this claim. Motion carried unanimously.

H. OLD BUSINESS

1. Presentation on the Results of the Force Main Rupture Response Report conducted by Willdan.

The Board reviewed the report included in the packet.

2. 11:00 AM Timed Item - Discussion and Direction: Future use and operational direction of the North Tahoe Community Conference Center.

GM Aaron introduced this topic, noting the report in the Board packets. The Technical Working Group has developed a proposal for additional funding of approximately \$300,000 of which \$150,000 would come from Placer County and the North Lake Tahoe Resort Association (NLTRA) and the balance would come from NTPUD. GM Aaron does not recommend taking this risk, which mainly affects Recreation reserves, and suggests that a transitional plan be developed to re-focus the use of the Conference Center. Discussion followed regarding the

options available, the shifts in the regional and local marketplace, and the variables to be considered. The appropriateness of changing the marketing focus from conferences to weddings was discussed, as well as the best ways to do that.

Steve Teshara, Executive Director of NLTRA, addressed the Board stating that there is still value to this facility and noting that there are efficiencies that could be made. He said that NLTRA could still participate in helping to fund the facility, depending upon the direction the Board chooses. He noted the capital improvements that could be made from infrastructure grants. Conference Services Director acknowledged the challenges being faced with the current and projected deficits and appreciates GM Aaron's recommendation. GM Aaron has also spoken with Alex Mourelatos. He reiterated his recommendation to develop a transitional plan to minimize financial risk to the District. Discussion continued. There was consensus among the Board members that, in an effort to stop the deficit spending, the marketing strategy should focus on weddings and local groups and events. **ACTION: GM Aaron is to research funding options with Placer County and develop a new business plan for Board review at the next meeting.**

3. Approve: The following related to the Pump Station Master Plan Project:

- i. Revised Professional Services Agreement and Scope of Work for Stantec in an amount not to exceed \$275,000.00;**
- ii. A budget adjustment in the amount of \$78,700.00**

It was moved by Director Bergmann and seconded by Director Daniels to approve the following related to the Pump Station Master Plan Project:

- i. Revised Professional Services Agreement and Scope of Work for Stantec in an amount not to exceed \$275,000.00;**
- ii. A budget adjustment in the amount of \$78,700.00**

Motion carried unanimously.

4. 10:30 AM - Presentation by Stantec on Pump Station Master Plan Project.

CE Goebel explained why this project is being recommended and what it means for each individual pump station, as well as the system as a whole. Eric McGrath, Project Manager from Stantec, narrated a Power Point presentation reviewing the plan, what it will address, how the alternatives will be identified and what data will be collected, evaluated, and prioritized in order to develop conceptual designs for Board review.

I. CLOSED SESSION AGENDA

There was no closed session.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:45 PM. The next scheduled meeting of the NTPUD Board of Directors is Tuesday, July 8, 2008 at 12 Noon.

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