

**MINUTES OF BOARD WORKSHOP OF  
THE NORTH TAHOE PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS  
North Tahoe Event Center  
8318 North Lake Boulevard, Kings Beach, CA 96143**

**Tuesday, March 5, 2013 at 9:00 A.M.**

**CALL TO ORDER/ESTABLISH QUORUM**

A Board Workshop of the North Tahoe Public Utility District Board of Directors was held on Tuesday, March 5, 2013 at 9:00 a.m. at the North Tahoe Event Center in Kings Beach, California. Present were Directors Bergmann, Daniels, Ferrell, Thompson, and Lewis, establishing a quorum. President Lewis called the workshop to order at 9:00 a.m.

Staff present were General Manager Schultz, Planning and Engineering Manager Stelter, Construction Administrator Butterworth, Park and Facilities Manager Long, Contracts and Planning Coordinator Gibbons, and Board Secretary Potts. The District's consultant for the new Base Facilities Project, Peter Gerdin, A.I.A., was also present to address questions and recommendations from the Board.

**PUBLIC FORUM**

There being no public to address the Board on matters not on the agenda, Public Forum was closed at 9:05 a.m.

**REVIEW OF PROPOSED BASE FACILITIES**

General Manager Schultz opened the meeting with introductions. CA Butterworth presented a timeline of the direction given by the Board, and staff input resulting in the currently proposed plans for the base facilities.

Director Bergmann inquired if the Engineering Department had received sufficient input from staff regarding the building. PEM Stelter noted that they had received two rounds of input on the plans, with most concerns expressed by the Utility Operations Crew being the corporation yard rather than the building, and their desires were for what he referred to as a "closed campus" which is not possible because of the space constraints of the site itself.

President Lewis inquired about the cost for the third floor apartments/file space and showers from the architect, Peter Gerdin. CA Butterworth noted that he had determined the top floor to be between \$150,00 to \$180,000 with additional savings for a stairwell which could include about \$211,000 based on square footage.

Director Thompson expressed specific concerns about the third floor determining the roof line and recommended eliminating the top floor in order to allow for a steeper pitched roof. The pros and cons of maintenance issues of sloped roofs versus flat or lesser pitched roofs were discussed.

Director Daniels stated that in previous heavy winters, flat roofs have fared better than pitched roofs. Her concern is not with the 2 and 12 pitch of the roof, but with the entrance and exit areas which sheds water back toward the building into drains which

would require heat tape, noting that because of the frigid climate, heat tape does not work well because of freezing. With that change noted, she was supportive of the roof line as proposed.

Director Ferrell stated that a 2" pitched roof would work in this area as long as it directs water to flow away from the building, and recommended a splitter at entrances which would allow for users of the building to enter and exit the building without snow and ice problems. Mr. Gerdin noted that the majority of the roof is 2 and 12 pitched which will not allow for snow shedding. Director Thompson stated that snow shedding would not be a problem at 4 and 12 pitch either, providing that a composition roof be utilized rather than a membrane roof.

Director Thompson inquired about the plan for heating in the building. Mr. Gerdin stated that the plan is for a forced air system with multiple residential units. There will be a crawl space below the lower floor, and a space between first and second floor to provide for duct work.

Director Thompson also inquired how much had been spent on the current plans and drawings, and was advised that \$30,185 had been expended to date. Mr. Gerdin noted that the expenditure could be divided between design and drawings.

Director Ferrell inquired about heating and air circulation in the building, and was advised that the mechanical design is just beginning. The mechanical room would contain all the HVAC units.

President Lewis asked about the advantage of building a modular building over stick and mortar construction. Mr. Gerdin stated that advantages include the speed of construction with the entire building being built onsite in two weeks, and cost of construction, and being environmentally friendly.

Director Bergmann inquired about local buildings that they could check out. Mr. Gerdin referenced modular buildings in Northstar, Davis, Fair Oaks, and two in Santa Cruz that could be inspected. Director Bergmann inquired about changing the building plan, and Mr. Gerdin stated that the third floor was desirable both functionally and aesthetically, but would be an easy deletion from the plan at this point in time.

Mr. Gerdin left the meeting at 9:40 a.m.

Further discussion about the frequency of use of the District's travel trailer for on call and emergency personnel was held. CA Butterworth stated that the third floor contained two rooms which could be used as apartments, but one was slated for storage, and the floor also contained required showers for the Utility Operations Crew. CA Butterworth addressed the need for the showers required for staff, and additional file and storage space provided by the 750 sq. foot area as well as staff housing.

President Lewis requested a straw poll to establish consensus from the Board regarding their recommendations for the proposed base facilities.

Director Thompson recommended removing the third floor and keeping the first two floors as is regarding footprint and square footage. Director Daniels agreed with that

recommendation. Director Bergmann recommends removing the third floor and adding on to the first two floors to make up for the loss in square footage. Director Ferrell concurred with Directors Thompson and Daniels.

Further discussion contradicted the initial straw poll with a consensus that more space is needed on floors one and two with the removal of the third floor. It was recommended that staff determines the costs for replacing the additional 750 square feet lost from the third floor, and replacing the space required for placement of the showers in the restroom on the second floor so that a decision can be made including this information.

### **Funding for New Base Facilities Construction and Dollar Sewer Pump Station Rehabilitation Projects**

Chief Financial Officer Marple presented the financing options recommended by the Finance Committee (Directors Bergmann and Daniels). The recommendations are:

1. Spend down unrestricted sewer reserves instead of debt due to cash in excess of minimum reserves goal, and since the Base Facilities are not included in the Sewer Capital Improvement Program (CIP), cost for construction and/or debt repayment should not come out of system replacement fees (held separately from reserves). Dollar Sewer Pump Station Rehabilitation would exhaust four years of system replacement fees. By utilizing sewer reserves for this project, the next project in Carnelian Bay could be funded by system replacement fees.
2. Utilize water system replacement fees for operating expenses in the Water Department. It was also recommended that property owned by the Water Department be transferred to the Sewer Department at its book value to pay for the Water Department's share of the building (estimated to be approximately 1/3).

CFO Marple addressed the impact of these recommendations on reserves. He noted that sewer reserves would be lower by \$5.2 million. He stated that at fiscal year end, the District will hold \$9 million in reserves, noting that the minimum reserve goal is \$2.4 million. At the end of the next fiscal year (6/30/2014) reserves would be at \$6 million, still above the minimum reserve goal. CFO Marple also recommended that the minimum reserve goal is doubled in order to cover six months of operating costs.

President Lewis asked for opinions from the Board regarding the Finance Committee recommendations. Director Thompson recommends that the District follows these recommendations and takes \$5.2 million from reserves for the two projects. Director Daniels recommends that the District does so also, with the caveat that should more funds be needed, they are also taken from reserves. Director Bergmann believes that the District should finance the two buildings so as not to spend current ratepayers funding for improvements that will last well into the future. Director Ferrell and President Lewis concurred.

President Lewis directed staff to place these items on the agenda for action at the regular meeting on March 12<sup>th</sup>.

Additionally, Director Thompson requested that staff place formation of a building construction ad hoc committee on the March 12<sup>th</sup> agenda.

**ADJOURNMENT**

There being no further business to be considered by the Board, the meeting was adjourned at 11:45 a.m.

Marianne Potts  
Board and Records Secretary