



PRESS RELEASE

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FOR IMMEDIATE RELEASE**

For more information, contact:

Duane Whitelaw
North Tahoe Public Utility District
PO Box 139 / 875 National Avenue
Tahoe Vista, CA 96148
Phone: 530.546.4212
Fax: 530.546.2652
Website: www.ntpud.org
E-mail: ntpud@ntpud.org

North Tahoe Public Utility District Board of Directors Approves Agreement to Negotiate Exclusively with Laulima Development LLC

(Kings Beach, CA) – At their September 13, 2016 regular meeting, the Board of Directors approved an Agreement to Negotiate Exclusively (ANE) with Laulima Development LLC. The ANE is the initial step in negotiating a Lease Agreement for the operation and maintenance of the North Tahoe Event Center. The ANE provides the parties with the framework to exclusively negotiate a lease agreement but does not guarantee that a lease agreement can or will be successfully negotiated.

At its July 11, 2016 special Board meeting, the Board received presentations by three respondents to a Request for Proposals (RFP) for the Operation and Management of the North Tahoe Event Center and then continued the item to its July 12, regular meeting. At the July 12, 2016 Board meeting, discussion continued regarding the presentations, proposals and proposers. Ultimately, the Board directed staff to work to create an Agreement to Negotiate Exclusively (ANE) with Laulima Partners, LLC in order to set the ground work to negotiate a lease agreement for the operation and maintenance of the North Tahoe Event Center.

Since that meeting on July 12, staff worked with representatives from Laulima Partners, LLC to craft the framework for the ANE, including the creation of a Term Sheet of items deemed significant by both parties to the Agreement.

A primary goal of the District's recently adopted Strategic Plan is to seek financial solvency for the Recreation and Parks Department and that has been an ongoing effort for staff. Numerous ideas have been explored including the use of property tax, initiating a needs assessment survey to determine the willingness of the property owners and residents to cover the operating deficits and capital asset replacement requirements and to update the Recreation and Parks Master Plan among other ideas.

Another idea was to explore the potential of a public-private partnership to operate and maintain the North Tahoe Event Center. The Event Center has consistently operated at an annual operating deficit averaging \$90,000 over the last 10 years. An additional \$80,000 a year needed to be set aside for deferred maintenance which also hasn't been achieved.

The deficits experienced in the operation of the Event Center are due, in part, to the District's desire to maintain accessibility and affordability of the Event Center for members of the community. While not technically recreation, operating and maintaining the Event Center as a venue for local community interest and government meetings has been a bonus as are the numerous holiday events, non-profit group fundraisers and recreational activities held annually in the center. Maintaining access and affordability to the community is an element of the ANE and will also be included in lease negotiations.

Additional actions taken by the Board of Directors during the September meeting:

- Recognized employees celebrating anniversaries with the District. Will Stelter – 5 years; Chris Avery, David Berry, Ken Fischer and Jim Schneider – 10 years; Chris Cannizzaro – 25 years; Robert Orr – 30 years.
- Authorized the General Manager to file a Notice of Completion for the Dolly Varden Water Main Replacement Project and North Side Salmon Services Relocation Projects. This project was completed nearly 14% or \$168,024 under budget. This project is another step in upgrading the water system in the Kings Beach grid replacing the old, leaking and undersized lines currently in the back alleys with modern mains and services on the street side of the properties and adding mid-block fire hydrants. The next street slated for waterline replacement in the grid is Loch Levon Avenue.
- Adopted an updated Conflict of Interest Code. The Political Reform Act of 1974 requires every local government agency to review its conflict of interest code every two (2) years to ensure compliance with current laws. Upon review, amendments were made to bring it into compliance with current regulations and those updates were adopted at this meeting.
- Authorized the General Manager to execute an agreement with NexLevel Information Technology, Inc for an Information Technology Needs Assessment. This review and assessment will provide the District with an independent evaluation of the existing infrastructure and service delivery to identify gaps and security vulnerabilities and provide recommendations to serve as a road map for

addressing the technology needs of the District going forward over the next three to five years.

- Authorized the General Manager to execute an agreement with the State of California/Caltrans for Snow Storage in the North Tahoe Regional Park. This is a renewal of a long standing contract between the District and Caltrans that allows for snow storage in the Caltrans constructed and maintained snow storage area at the entrance to the Park. This area is used to store highway snow from Kings Beach and other areas of North Tahoe. The District will be compensated \$45,000 per year, a \$10,000 increase from the last contract. Terms continue that require Caltrans to clean, patch and pave existing asphalt as needed, as well as perform the annual cleanup of the site. This partnership represents a direct saving to NTPUD property owners and rate payers.

The next regular meeting of the NTPUD Board of Directors will be held on Tuesday, October 11, 2016 beginning at 2:00 pm at the North Tahoe Event Center in Kings Beach. NTPUD board meetings are open to the public and all are invited to attend.

Board meetings are video recorded and are available for viewing following the meeting. They can be accessed by going to the Agenda and Minutes page on the District's website.

Information on NTPUD board meetings, including agendas and packets, may be obtained on the District's website. Residents are strongly encouraged to sign up on the District's email list to receive agendas, press releases and other information from the District at www.ntpud.org. The sign up link is available on the home page. For drought updates and water conservation information, see www.ntpud.org/conservation.

The North Tahoe Public Utility District provides sewer and water service to the residents of Kings Beach, Tahoe Vista, Carnelian Bay, Cedar Flat and Agate Bay. The North Tahoe Regional Park, Tahoe Vista Recreation Area and Boat Launch and North Tahoe Event Center are owned and operated by the District and provide recreation opportunities to residents and visitors.

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Approved By: Duane Whitelaw, General Manager,