

**MINUTES OF SPECIAL MEETING OF THE  
NORTH TAHOE PUBLIC UTILITY DISTRICT  
BOARD OF DIRECTORS  
North Tahoe Event Center  
8318 North Lake Boulevard, Kings Beach, CA 96143  
Thursday, May 21, 2015 at 8:30 a.m.**

**CALL TO ORDER/ESTABLISH QUORUM**

A Special Meeting of the North Tahoe Public Utility District Board of Directors was held at the North Tahoe Event Center in Kings Beach, California on Thursday, May 21, 2015. Present at the meeting were President Lewis, Directors Bergmann, Daniels and Thompson, establishing a quorum. Director Ferrell was not in attendance. President Lewis called the meeting to order at 8:40 a.m.

**PUBLIC FORUM**

No members of the public were present to address the Board of Directors on items not on the agenda, and Public Forum was closed.

President Lewis identified the discussion item listed below before adjourning to Closed Session at 8:45 a.m.

**CLOSED SESSION:** *Pursuant to Government Code, the Board of Directors held a Closed Session to discuss the following:*

1. CONFERENCE WITH LABOR NEGOTIATORS – Discussion pursuant to Section 54957.6. District Negotiators: General Manager Whitelaw, Chief Financial Officer Marple and HR/Risk Manager Lazzareschi. Negotiating Parties: IUOE Local 39. Under Negotiation: Memorandum of Understanding for Classified Employees.

**OPEN SESSION**

President Lewis called Open Session to order at 9:55 a.m. and reported that no action was taken in Closed Session.

**BOARD OF DIRECTORS WORKSHOP**

**Draft Budget Discussion for Fiscal Year 2015-2016**

General Manager (GM) Whitelaw presented the workshop format to the Board of Directors and turned the meeting over to Chief Financial Officer (CFO) Marple.

CFO Marple introduced what he considered to be conservative revenue assumptions being made for the 2015-2016 budget. These assumptions concurred with the budget parameters previously accepted by the Board which included no rate increases for water or sewer, a reduction of 25% in metered water revenue due to conservation efforts, no expected redevelopment agency (RDA) pass through funding, an anticipated 2% increase in property tax revenues and the Community Facilities District (CFD), a 1% CPI increase in maintenance revenue from Placer County facilities for the Recreation Department.

CFO Marple presented an additional budget decision required to approve staffing levels for sewer and water operations. Engineering and Operations Manager Stelter requested the addition of two full time equivalent (FTE) positions to the department to be placed in the proposed budget after a meeting with the Personnel Committee who

concurring and recommending the addition of the two FTE's. Director Thompson advised that the District's maintenance plan was suffering because the District does not have enough employees in that department to perform the necessary work.

GM Whitelaw began a discussion regarding the Recreation Department. He stated that the budget as presented includes the need to fund a \$365,875 deficit and recommended a loan from either sewer reserves or property tax to allow for the department to continue operating at the current level of service in order to provide a minimum safety level for the District's facilities. GM Whitelaw advised that if the Board is willing to provide bridge financing for the budget while proceeding with a CFD or other funding measure, the District may need to reach a conclusion that some level of property tax is needed to continue operating the Recreation Department.

Director Thompson recommended that the Board approve a loan for one year only to the Recreation Department for the \$365,875 in addition to the cost of a public outreach to inform the District's customers of the need for increased funding. Director Thompson stated that he recommended rethinking the situation if funding could not be increased by a CFD or other measure for future years. He recommends that the District hire someone to begin the public outreach immediately.

Director Daniels stated that since the District's mission includes Sewer, Water, and Recreation and Parks, she would like to provide the funding required to keep the facilities open and safe and to consider investigating the use of property tax to do so as was done before the property tax shift and legislation exempting the District due to Porter Cologne.

President Lewis stated that he agrees with Director Thompson and believes that providing a one time loan to the Recreation Department would best serve the District's customers while maintaining the integrity of the enterprise zones. He recommends going forward with the election as soon as possible in May of 2016.

The proposed Recreation and Parks Department budget was 16% over the adopted budget for the previous year. A consensus of the Board was to move forward with the Recreation department while providing a level of service that provides for the existing level of service, but to cut the proposed operating budget to no more than was budgeted in the 2014-2015 Fiscal Year.

## **ADJOURNMENT**

There being no further business to come before the Board, the meeting was adjourned at 11:05 a.m.

Marianne J. Potts  
Board Secretary