

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

**Tuesday, February 8, 2011
8:30 A.M. Closed Session
9:30 A.M. Open Session**

CALL TO ORDER/ESTABLISH QUORUM

The Regular Meeting of the North Tahoe Public Utility District Board of Directors was held on Tuesday, February 8, 2011 at the North Tahoe Event Center in Kings Beach, California. President Lewis called Closed Session to order at 8:30 a.m. Present were Directors Mooney, Bergmann, Daniels, Ferrell, and President Lewis. A quorum was established.

CLOSED SESSION AGENDA

Pursuant to the cited authority (all references are to the Government Code, 54956.8, 54956.9, 54956.9 (b) (1), 54957.6, and 54957, the Board of Directors held a closed session to discuss the following listed items:

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Discussion pursuant to subdivision (a) of Section 54956.9. Name of case: North Tahoe Public Utility District vs. The Garwood Building. Director Mooney recused himself from the discussion.
2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Discussion pursuant to subdivision (a) of Section 54956.9. Name of case: 8679 Trout, LLC vs. North Tahoe Public Utility District, et al.
3. CONFERENCE WITH LEGAL COUNSEL – POTENTIAL LITIGATION
Discussion pursuant to subdivision (b) of Section 54956.9. Number of cases: Two (2)
4. PUBLIC EMPLOYMENT: Discussion pursuant to Section 54957. Title: General Manager/CEO

Upon adjourning to Open Session, the Board reported that no action was taken in Closed Session. Closed Session will reconvene upon the close of the regular meeting to discuss Item #4.

President Lewis announced the sad news that former Director, Norma Schwartz passed away on February 4th. The Board, staff, and all meeting attendees held a moment of silence in her honor.

PLEDGE OF ALLEGIANCE

President Lewis called Open Session to order at 9:35 a.m. Director Daniels led the Pledge of Allegiance.

Staff present were Acting General Manager/CEO/Clerk of the Board Schultz, Chief Financial Officer Marple, Parks and Facilities Manager Long, Construction

Administrator Butterworth, Contracts and Planning Coordinator Gibbons, Sr. Financial Analyst Rosenthal, Utility Operations Manager Hopkins, Executive Assistant Lefrancois, Human Resources Technician Keechler, Board and Records Secretary Potts, and Legal Counsel Eskind.

REVIEW OF AGENDA: No items were added to or deleted from the agenda.

TIMED ITEMS:

9:35 a.m. PUBLIC FORUM: No members of the public were present to address the Board on items not on the agenda. Public forum was closed.

9:40 a.m. RON LEY, DAMORE HAMRICK & SCHNEIDER – 2009/2010 Fiscal Year
The District's independent auditor, Ron Ley of Damore Hamrick & Schneider presented the audit results from the 2009/2010 Fiscal Year. He addressed last year's audit comments, reporting that management had corrected internal control weaknesses. In the current audit, he reported no significant deficiencies or material weaknesses. The Finance Committee reviewed the audit at the committee level, and was satisfied with the audit letter and management response. Mr. Ley reported that management had continued to work to minimize expenses. Due to events that occurred after the end of the fiscal year, the audit report will be reissued with a dual date, though the basis of the report and financial statement will not be affected.

11:00 a.m. SUSTAINABLE TAHOE – Presentation

The Recreation and Parks Committee listened to a conceptual proposal from Sustainable Tahoe at the Committee level and directed staff to place this item on the agenda for full Board review. Rick Licata, Matt Hansen and John Hara of Sustainable Tahoe presented the Board with a proposal which would utilize the North Tahoe Event Center. They requested endorsement of the proposal, authorization of an expenditure of \$15,000 to \$25,000 to help fund a feasibility study, and appointment of a contact person at the District.

After hearing the proposal, the Board directed Park and Facilities Manager Kathy Long to act as the contact person for the District. President Lewis stated that she would determine specifics on the item to be placed on an upcoming Board agenda.

CONSENT CALENDAR: The usual exceptions were noted by Directors Mooney and Bergmann on Accounts Paid and Payable. President Lewis abstained from Item #3 due to a conflict of interest. Item #3 was subsequently removed from the calendar and tabled until next month after a motion by Director Ferrell died after failing to be seconded. Consent Calendar item #4 was removed from the calendar and referred to an ad hoc Personnel Committee, appointed by President Lewis with consensus from the Board, to be made up of Directors Daniels and Ferrell.

1. Approve Accounts Paid and Payable for the period from January 11, 2011 to February 8, 2011
2. Approve Minutes of the January 11, 2011 Regular Board Meeting and January 25, 2011 Special Board Meeting

3. Authorize General Manager to Execute Line Extension and Cost Sharing Agreement for Woodvista Lodge Improvements (APN 117-150-040). **This item was tabled until next month.**
4. Adopt Resolution 2011-02 A Resolution of the Board of Directors of the North Tahoe Public Utility District Amending Job Descriptions and Mid-Management/Confidential Salary Schedule. **This item was tabled, and referred to an Ad Hoc Personnel Committee.**
5. Authorize General Manager to Execute Task Order 03 for the Secline Pump Station Rehabilitation Project (#1021-SPSR)
6. Approve Change Orders #1 and #2 and Authorize Budget Adjustment for Carnelian Bay West Waterline Improvement Project (#0938)
7. Authorize Budget Adjustment to the Water Construction Fund for the Cost of Debt Issuance and Construction Period Interest

MOTION: With exceptions and tabled items noted, upon motion by Director Bergmann and second by Director Daniels, the Board approved the consent calendar unanimously by roll call vote.

MANAGEMENT TEAM INFORMATIONAL UPDATES:

1. **Management Services Department Report**
 - a. **Review and Discuss Monthly Financial Statement through December 2010**
 - b. **Treasurer's Report**

Chief Financial Officer Marple presented his reports to the Board. The methodology and timing of interdepartmental transfers were discussed.

2. **Parks and Facilities Department Report**

Park and Facilities Manager Long presented her report to the Board, discussing items related to current base facilities maintenance issues, proposed base facilities planning, and Tahoe Vista Recreation Area funding.

3. **Planning and Engineering Department Report**

Contracts and Planning Coordinator Gibbons presented her report with discussion focused on details of the emergency National Avenue Water Treatment Plant Intake Pump Repair/Replacement.

4. **Utility Operations Department Report**

Utility Operations Manager Hopkins reported that water main leaks within the District have been reduced by 90%. He reported that the MLOG system is assisting the District to be more responsive to customer leaks as well.

B. NEW BUSINESS

1. 2009/2010 Fiscal Year Audit Results (9:40 a.m. Timed Item)
2. Sustainable Tahoe Presentation (11:00 a.m. Timed Item)
3. Request for Sponsored Use of Regional Park

MOTION: Upon motion by Director Bergmann and second by Director Ferrell, the Board voted unanimously to allow the Wylie Animal Rescue Foundation (WARF) use of the Regional Park to hold a fundraiser for the Tahoe Vista Animal Shelter on September 10, 2011, and directed staff to charge a refundable cleanup deposit to minimize labor costs to the District.

C. CORRESPONDENCE

1. Notification of Nominations – 2011 Election for Special District Risk Management Association (SDRMA) Board of Directors

The Board discussed nominating Director Daniels for the open seat on the Special District Risk Management Association Board of Directors. Director Daniels stated that she would investigate the commitment required.

2. Placer County Local Agency Formation Commission (LAFCO) Notification of Election of Special District Representatives

The Board decided by consensus to place their vote for Ron Treabess of the Tahoe City Public Utility District for Placer County LAFCO Special District Representative.

D. GENERAL MANAGER/CEO COMMENTS

General Manager Schultz updated the Board on activities of the District. A discussion of the legal opinion written by Counsel Eskind regarding the Brook Act took place. Director Ferrell requested that Requests for Proposals for Professional Services Agreements are brought to the Development and Planning Committee prior to issuance to determine a target cost for engineering services. General Manager Schultz recommended that because of the technical nature of construction management, cost for this portion of a proposal could be proposed separately.

E. BOARD OF DIRECTOR'S COMMENTS – None.

CLOSED SESSION:

Open Session was adjourned to Closed Session at 1:20 P.M. for discussion of Closed Session Agenda Item A-4 (Public Employment: Title – General Manager/CEO).

Upon adjourning to Open Session, President Lewis reported that no action was taken in Closed Session.

ADJOURNMENT:

There being no further business to come before the Board, the meeting was adjourned at 2:20 p.m.

Marianne Potts
Board & Records Secretary