

**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, November 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, November 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 Bergmann, Daniels, Ferrell, and President Lewis. Director Mooney was absent. A quorum was established.

CLOSED SESSION AGENDA

Pursuant to Government Code, 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 – POTENTIAL LITIGATION
Discussion pursuant to subdivision (b) of Section 54956.9. Number of cases: Two (2)
3. PERSONNEL: EVALUATION OF PERFORMANCE – General Manager/CEO Review. Discussion pursuant to Section 54957.
4. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Property: 8318 North Lake Blvd., Kings Beach State Recreation Area. Agency Negotiator: General Manager Schultz. Negotiating Parties: State of California. Under Negotiation: Terms of Agreement. Discussion pursuant to Section 54956.8.
5. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION.
Discussion pursuant to subdivision (a) of Section 54956.9. Name of Case: Cris Connolly vs. North Tahoe Public Utility District, et al.

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

MOTION: The Board discussed offering General Manager Schultz a one time salary bonus in the amount of \$15,000 based on his performance evaluation held in closed session. Motion was made by Director Daniels and seconded by Director Ferrell to provide a bonus of \$15,000 to the General Manager and to establish his annual review date as November 1st. The motion carried (4-0) with four ayes (Director Mooney absent).

PLEDGE OF ALLEGIANCE

President Lewis called Open Session to order at 9:30 a.m. Director Daniels led the Pledge of Allegiance.

Staff present were General Manager Schultz, Chief Financial Officer Marple, Parks and Facilities Manager Long, Construction Administrator Butterworth, Planning and Engineering Manager Stelter, Contracts and Planning Coordinator Gibbons, Sr. Financial Analyst Rosenthal, Acting Utility Operations Manager Begin, Human Resources Specialist Keechler, and Board and Records Secretary Potts. Counsel Eskind was also present.

REVIEW OF AGENDA: No changes were made to the agenda.

PUBLIC FORUM (TIMED ITEM 9:35 a.m.): Cecil Holman, a Tahoe Vista resident, was present to address the Board regarding the Park and Facilities Department, focusing on staffing and specific problems in the regional park. Public Forum was closed at 9:40 a.m.

CONSENT CALENDAR

1. Approve Accounts Paid in the amount of \$778,162.08 and Payable in the amount of \$156,418.77 for the period from October 11, 2011 to November 9, 2011 with potential conflicts for Directors Bergmann and Mooney in the amount of \$1,895.56.
2. Approve Minutes of the October 11, 2011 Regular Board Meeting.
3. Authorize General Manager to execute amendment to Professional Services Agreement with Harris and Associates for the Secline Pump Station Rehabilitation Project in the amount of \$11,935 (#1021-SPSR).
4. Authorize General Manager to file Notice of Completion for the Secline Pump Station Rehabilitation Project (#1021-SPSR).
5. Authorize budget adjustment in the amount of \$6,050 for change orders related to the Beach Street Water Line Project for total reimbursement not to exceed \$170,000 contingent on the developer meeting the District's conditions (#1125).

Director Daniels requested discussion of Consent Calendar Item #5. Pat Pinjuv, owner of the Woodvista Lodge, with whom the District had approved a line extension and cost sharing agreement previously, was present to address the Board regarding concerns he had with the agreement. The budget adjustment for the Beach Street Water Line Project had been reviewed at a Development and Planning Committee meeting, who recommended the increase and noted that the requirements of the agreement are consistent with other District agreements. The item was not removed from the consent calendar

MOTION: Upon motion by Director Bergmann and second by Director Daniels, the Board voted to approve the Consent Calendar with noted accounts paid and payable conflicts for Directors Bergmann. The motion carried unanimously (4-0) by Roll Call vote (Director Mooney absent).

MANAGEMENT TEAM INFORMATIONAL UPDATES

Management Services Department Report

- a. Review and Discuss Monthly Financial Statement through September 2011
- b. Treasurer's Report

Chief Financial Officer (CFO) Marple presented the Financial Statement and Treasurer's Report. He distributed a draft copy of a modified Treasurer's Report. Specific funds were discussed, and the board recommended a workshop to discuss a five year focus to identify revenues and upcoming projects, and a review of reserve amounts. A workshop was scheduled for this discussion prior to the regular meeting in December.

Parks and Facilities Department Report

Park and Facilities Manager Long responded to Cecil Holman's comments during public comment. She addressed measures she is taking to address problems related to the turf in the regional park. The limited amount the ball fields in the park are currently used was discussed compared to greater use historically.

Planning and Engineering Department Report

Contracts and Planning Coordinator Gibbons updated the Board on current projects. She reported that the Secline pump station would be complete within a week. Dollar and Carnelian pump station design is moving forward.

Utility Operations Department Report

Acting Utility Operations Manager Begin thanked the Board for taking the emergency action needed for the replacement of the water main on Rim Drive. President Lewis requested a comparison of the volume of unaccounted for water this year, and for the past two years in the Rim Drive area and Kings Beach Zones 1, 11 and 12.

OLD BUSINESS

Base Facilities – Discussion and Update

An architect is on board to proceed with planning which will give the District an estimate of total cost in order to proceed. The project will be discussed further at the upcoming financial workshop.

Chinquapin Sewer Line History and Discussion

General Manager Schultz updated the Board regarding the history of the District providing interim sewer maintenance of the gravity sewer line at Chinquapin since 1987. Historic records support that the District has no obligation to provide this service, and he recommends a sunset on this maintenance to be June 30, 2012 in order to give the homeowners' association time to establish alternative maintenance.

Review and Terminate the Rim Drive Water Main Emergency Action Taken on September 13, 2011 and Authorize General Manager to File Notice of Completion (#1222)

MOTION: After an update on the project, Director Daniels motioned to terminate the emergency action taken regarding the Rim Drive Water Main. Upon second by Director Ferrell, the motion carried unanimously (4-0) by Roll Call vote (Director Mooney absent).

MOTION: Upon motion by Director Ferrell and second by Director Daniels, the Board voted unanimously by roll call (4-0) to authorize the General Manager to file the Notice of Completion on the project (Director Mooney absent).

NEW BUSINESS

Consider a Retirement Vesting Bridge Program

A discussion was held regarding the change from the District's previous defined contribution money purchase pension plan to a CalPERS defined benefit plan which took place in August 2010. This changeover resulted in employees who were already vested under the previous plan having to start a new five year period in order to vest under the CalPERS Plan. Employees who would be 55 or older and elect to retire before they became vested under the CalPERS plan would receive no CalPERS benefits and, while they would be entitled to return of the 7% employee's contribution to CalPERS, they would receive no benefit from the 8% employer's contribution which would have been vested under the previous plan. These employees, who generally have been with the District for long periods of time, have considerable experience and operational knowledge and it is in the public interest and public benefit to provide a program to bridge the new vesting period to encourage employee retention.

MOTION: Upon motion by Director Ferrell and second by Director Daniels, the Board voted to establish a Retirement Vesting Bridge Program as follows: Employees who were employed by the District on the date the District initiated the CalPERS program and who elect to retire at age 55 or older and who are not vested under the District's CalPERS retirement program on the date of their retirement shall be entitled to a vesting bridge payment equal to the actual District employer's contributions (8%) made on their behalf to CalPERS between the date of initiation of the CalPERS program for up to thirty months after the date of initiation of the CalPERS program. Employees who are vested under the CalPERS program on the date of their retirement are not entitled to any payment under the Retirement Vesting Bridge Program. This program shall expire June 30, 2015. The motion carried unanimously (4-0) with Director Mooney absent.

Consider Request for Use of North Tahoe Event Center for North Tahoe Hebrew Congregation Holiday Food and Clothing Project

MOTION: Upon motion by Director Bergmann and second by Director Ferrell, the Board voted unanimously (4-0) to allow use of the building for the holiday food and clothing project (Director Mooney absent).

Consider Request for Use of North Tahoe Event Center for U.S. Marine Corps "Toys for Tots" Program.

MOTION: Upon motion by Director Daniels and second by Director Bergmann, the Board voted unanimously (4-0) to allow use of the Event Center for the Toys for Tots Program as recommended with staff (Director Mooney absent).

Consider Request for Use of Event Center for Toccata Symphony Orchestra and Chorus

MOTION: Because the orchestra charges for the event, the Board requested that staff develop a rate for the two dates requested to include reimbursement for District expenses and staff time. Upon motion by Director Ferrell and second by Director Daniels, the Board voted to allow use of the building at a rate

established by staff in order to cover the District's expenses and staff time. The motion carried unanimously (4-0) with Director Mooney absent.

Review Claims against District

1. Water Damage at 320 Rim Drive (Rolf Lesem)

Human Resources Specialist Keechler acting as the District's risk manager presented the claim filed by Mr. Lesem, owner of 320 Rim Drive. She recommended denial of the claim which would allow the District to present it to the District's insurance carrier for handling. As this claim is for the property adjacent to a previously considered claim at 334 Rim, it will be considered by the insurance company as part of the same claim and will not incur a separate deductible.

MOTION: A motion to deny and refer this claim to the District's insurance company was made by Director Ferrell and seconded by Director Bergmann. The motion carried unanimously (4-0) with Director Mooney absent.

2. Vehicle Accident (Diana Brown)

Ms. Keechler described the incident between a district vehicle and the vehicle being driven by Diana Brown. The District employee at a stop sign behind Ms. Brown tapped the bumper of her vehicle when she began driving and subsequently stopped, causing damage to the bike rack and bumper of her vehicle in the approximate amount of \$1,100. Insurance was contacted, and it was recommended that the District denies this claim which will allow for the insurance company to continue handling the claim.

MOTION: Upon motion by Director Daniels and second by Director Ferrell, the board voted unanimously (4-0) to deny and refer this claim to the District's insurance company (Director Mooney absent).

GENERAL MANAGER/CEO COMMENTS

General Manager Schultz thanked the Board for consideration given him during his review.

BOARD OF DIRECTOR'S COMMENTS

President Lewis thanked General Manager Schultz for his service to the District.

A date change for December's meeting to be held on the first Tuesday of December (12/6/11) was agreed upon by consensus.

ADJOURNMENT

There being no further business to be considered by the Board, the meeting was adjourned at 12:00 p.m.

Marianne Potts
Board and Records Secretary