

**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 13, 2012

CALL TO ORDER/ESTABLISH QUORUM

The Regular Meeting of the North Tahoe Public Utility District Board of Directors was held on Tuesday, November 13, 2012 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 Government Code, the Board of Directors held a closed session to discuss the following listed items. All references are to the Government Code.

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 this discussion.
2. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION
Discussion pursuant to subdivision (a) of Section 54967.9. Name of case: Stuart Corvin v. 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. CONFERENCE WITH REAL PROPERTY NEGOTIATORS – Discussion pursuant to Section 54956.8. Property: 8318 North Lake Blvd., Kings Beach State Recreation Area. Agency Negotiator: General Manager Schultz. Negotiating Parties: State of CA. Under Negotiation: Terms of Agreement.
5. PERSONNEL: EVALUATION OF PERFORMANCE Review for General Manager/CEO Schultz. Discussion pursuant to Section 54957.
6. LABOR NEGOTIATIONS – Agency Negotiators: General Manager Schultz, Human Resources Specialist Keechler, Planning and Engineering Manager Stelter, and Chief Financial Officer Marple. Under Discussion: Public Employees Pension Reform Act (PEPRA). Discussion pursuant to Section 54957.6.

President Lewis reported that no action was taken by the Board during Closed Session on Items 1 through 4. He stated that the Board would reconvene for discussion of Items 5 and 6 at the end of the Open Session business.

PLEDGE OF ALLEGIANCE

President Lewis called Open Session to order at 10:04 a.m. Director Daniels led the Pledge of Allegiance.

Staff in attendance included General Manager/CEO Schultz, Chief Financial Officer Marple, Parks and Facilities Manager Long, Planning and Engineering Manager Stelter, Construction Administrator Butterworth, Contracts and Planning Coordinator Gibbons, Executive Assistant Emmerich, Human Resources Technician Keechler, and Board Secretary Potts. Counsel Eskind was also present.

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

PUBLIC FORUM (10:05 a.m.): Phil Thompson, recently elected to the District Board, effective December 7, 2012, commented that he would do his very best to do a good job for the public. No other public members were present to address the Board under Public Forum, and President Lewis closed the Public Forum at 10:06 a.m.

CONSENT CALENDAR: The following consent calendar items were presented for approval.

1. Approve Accounts Payable in the amount of \$173,309.14, and paid in the amount of \$1,010,505.56 with noted conflicts for Directors Bergmann and Mooney in the amount of \$13,313.85, for the period from October 9, 2012 through November 12, 2012.
2. Approve Minutes of the October 9, 2012 Regular Board Meeting.

MOTION: Director Daniels moved to approve the Consent Calendar, with the noted conflicts for Accounts Paid and Payable for Directors Mooney and Bergmann. Upon second by Director Ferrell, the motion carried unanimously by Roll Call Vote (5-0).

MANAGEMENT TEAM INFORMATIONAL UPDATES

Management Services Department Report

a. Review and Discuss Monthly Financial Statement through September 2012

b. Treasurer's Report

Chief Financial Officer (CFO) Marple directed the Board's attention to the Special Report prepared regarding redevelopment agency (RDA) funds. The report on RDA funds was discussed briefly. No further discussion or comments were made on the Financial Statement or Treasurer's Report.

Park and Facilities Department Report

Park and Facilities Manager (PFM) Long responded to questions from the Board regarding a proposed operating agreement for the Kings Beach State Recreation Area with the California Tahoe Conservancy (CTC). PFM Long was concerned about operating income versus expenses, and recommended that the agreement should require a plan for additional funding to make up the shortfall. Further discussion included the school district's enhancement of the ball field behind Kings Beach Elementary School. The architect had met with Park and Facilities Supervisor Ingstad regarding irrigation, and his plan included treatment of compacted areas, and rehabilitating the existing turf.

TIMED ITEM (10:30 a.m.): Tahoe Expedition Academy Proposal to Lease Event Center from August 26, 2013 through June 27, 2014

Tahoe Expedition Academy representative, D.C. Laraby, addressed the Board with background on the school which now holds 96 students from Kindergarten through Eight Grade. This year's growth increased the size of the student body by 36%. The entire Event Center would be used to house the middle school students, and 9th and 10th grades. The Board asked for a legal determination from Counsel Eskind in order to decide if this use is permissible for the building. President Lewis advised that use of the full building would not be a consideration because the building has to be kept available for recreation. Steve Rubin also addressed the Board noting further aspects of the proposal, and thanked the Board for its consideration of the proposal. President Lewis polled the Board for their viewpoint.

Director Daniels noted that the timing of the request was good because of the upcoming highway restructuring associated with the Kings Beach Commercial Core Improvement Project. She stated that the Event Center was important for the community throughout the year for various occasions, such as graduations, memorial services, open houses, etc. She would not recommend the entire building for use, but would consider some space. Director Ferrell liked the idea as a way of helping with deferred maintenance, noting that there would be increased maintenance and deferred maintenance due to increased use of the building. Director Bergmann pointed out that the request was for one year, however Director Daniels had stated more of an interest in two years. Mr. Laraby stated that they would consider two years while they are building their school on Speckled in Kings Beach which they plan to open in the fall of 2014. Director Bergmann noted that the burden would be on PFM Long to evaluate feasibility of the proposal, and a longer time frame seems more viable. He also noted that the building is used throughout the year by other local agencies like Placer County, Tahoe Regional Planning Agency, and the CTC, and a commitment already made for the Ironman Triathlon. President Lewis stated that he was somewhat opposed to the concept, but that before it could be considered, a public meeting would be necessary.

Newly elected Director Phil Thompson, stated that based on the discussion it seems that it is not legal to offer the entire building as was requested, and consideration should be given to the people being displaced for a year or more, and if the Event Center could ever get the users back.

Board consensus was determined to be that they are interested in exploring the proposal, and determining the benefits to the District, while maintaining that use of the entire building is off the table.

Planning and Engineering Department Report

Planning and Engineering Manager (PEM) Stelter updated the Board on work completed at the Tahoe Vista Recreation Area Accessory Parking Project, Brook Avenue, and Dollar Force Main Repair, and the Zone 1 Water Storage Tank. He stated that he is meeting with Placer County representatives regarding the KBCCIP. He also advised of a recent problem experienced when a contractor installed a fire hydrant at the south end of Stag Drive. Director Ferrell advised PEM Stelter to look into solutions for the Stag/Rim/Fawn subdivision as the water service to the area is not looped. PEM Stelter will seek options and present to the Operations and Planning Committee at a later date.

Utility Operations Department Report

Utility Operations Manager Begin was not in attendance, so PEM Stelter presented the monthly report for the Utility Operations Department. Repairs recently completed by the crews were discussed.

OLD BUSINESS

Final Settlement of Claim with Arizona Pipeline (APL)

General Manager Schultz advised the Board of a recent settlement agreement made between the District and APL on the claim for damages done to the District's force main on 9/30/09. APL had committed to additional payment at the time the District completed the force main replacement, however since the project has been postponed, the District was able to finalize the claim with an additional payment from APL at this time.

NEW BUSINESS

Consider Claim for Damages at Tahoe Vista Recreation Area (TVRA) for Damaged Gas Service Line belonging to Franciscan Lakeside Lodge

Human Resources/Risk Management Specialist (HRS) Keechler advised the Board of the claim which occurred at the TVRA when the District's contractor penetrated a gas line belonging to the Franciscan within the TVRA property boundaries. Their gas line was not working for three days which caused a loss of revenue. HRS Keechler asked the Board to reject the claim in order to turn it over to the District's liability insurance carrier.

MOTION: Director Ferrell moved to deny the claim. The motion carried unanimously (5-0) after second by Director Daniels.

Requests for Use of District Facilities:

- North Tahoe Event Center on December 15th and 16th, 2012 by the United States Marine Corps (USMC) for Toys for Tots

MOTION: Director Ferrell moved, and Director Bergmann seconded motion to grant request for use of the Event Center by the USMC for the Toys for Tots program. The motion carried unanimously (5-0).

- North Tahoe Event Center from December 7th – 23rd, 2012 for the North Tahoe Hebrew Congregation Holiday Food and Clothing Drive

MOTION: Director Ferrell moved, and Director Bergmann seconded motion to grant request for use of the Event Center by the Hebrew Congregation for the Holiday Food and Clothing Drive. The motion carried (4-0) with Director Mooney voting no.

- Tahoe Vista Recreation Area Plaza for two weekends in Summer 2013 for Tahoe Arts Festival at a reduced rate

MOTION: Director Bergmann recused himself from the discussion due to a conflict of interest. After a short discussion about expenses at the TVRA,

Director Ferrell motioned to deny the request for a reduced rate for rental of the Plaza at the TVRA by the Tahoe Arts Festival. Upon second by Director Mooney, the motion to deny carried (4-0) with Director Bergmann abstaining.

GENERAL MANAGER AND BOARD OF DIRECTORS COMMENTS

Director Mooney offered his thoughts to the Board to protect the Regional Park, and keep the public's best interest in mind while responding to requests from individuals or groups advocating new amenities. He stated that he has always fought development in the Park, and recommends the Board continues to do so. He also stated that the Board should continue to operate as a sewer, water and recreation district, while continuing the District's role as an advocate for the financial wellbeing of the local community, and treating the District as a business rather than a government entity.

Director Ferrell stated that he was approached by soccer clubs requesting continued use of the lower soccer field (Field 3) at the Regional Park.

President Lewis asked Executive Assistant Emmerich to investigate methods and costs for videoing District meetings for posting on the website.

CORRESPONDENCE

Letter regarding District Owned Property (090-122-030) in Kings Beach from Neighboring Property Owner, Joseph Huelle

The Board discussed Mr. Huelle's request to purchase a part of the property owned by the District. Director Mooney advised that the District look at its assets as a whole, and sell if they are not useful. A consensus was reached that if consideration was going to be given regarding the sale of the property, the entire property should be offered for sale, not a single parcel. General Manager Schultz was directed to advise Mr. Huelle.

ADJOURNMENT

There being no further business to be considered by the Board, the meeting adjourned to Closed Session at 12:05 p.m.

CLOSED SESSION

PERSONNEL: EVALUATION OF PERFORMANCE Review for General Manager/CEO Schultz. Discussion pursuant to Section 54957.

LABOR NEGOTIATIONS – Agency Negotiators: General Manager Schultz, Human Resources Specialist Keechler, Planning and Engineering Manager Stelter, and Chief Financial Officer Marple. Under Discussion: Public Employees Pension Reform Act (PEPRA). Discussion pursuant to Section 54957.6.

Discussion was held under Closed Session regarding the above items #4 and #5 on the agenda. After reconvening to Open Session at 1:05 p.m., the following action was reported:

MOTION: Director Daniels moved to extend the District's agreement with Stationary Engineers IUOE Local 39 for two years, expiring June 30, 2015 with a

2% cap on Cost of Living Allowance annually on June 30th. Upon second by Director Ferrell, the motion carried unanimously (5-0).

MOTION: Motion was made by Director Ferrell, and seconded by Director Bergmann to give General Manager Schultz performance pay of \$15,000 based on the Board's annual evaluation of his performance. The motion carried unanimously (5-0).

ADJOURNMENT

The meeting was adjourned at 1: 15 p.m.

**Marianne Potts
Board and Records Secretary**