



**NORTH TAHOE PUBLIC UTILITY DISTRICT
Board of Directors Regular Meeting Agenda
North Tahoe Event Center
8318 North Lake Boulevard, Kings Beach, CA**

Tuesday, December 10, 2024, at 2:00 P.M.

Welcome to a meeting of the North Tahoe Public Utility District Board of Directors

The District welcomes you to its meetings. Your opinions and suggestions are encouraged. With a few exceptions, all meetings are recorded and available online after the meeting has concluded. The meeting is accessible to people with disabilities. In compliance with Section 202 of the Americans with Disabilities Act of 1990 and in compliance with the Ralph M. Brown Act, anyone requiring reasonable accommodation to participate in the meeting should contact the North Tahoe Public Utility District office at (530) 546-4212, at least two days prior to the meeting.

In addition, all written public comments received by 1:00 p.m. on December 10, 2024 will be distributed to the District Board Members for their consideration and all written comments will be included in the minutes. Pictures, graphics, or other non-written comments may be included in the minutes at the discretion of the Board of Directors. Written comments may be emailed to mmoga@ntpud.org, mailed or dropped-off at NTPUD's Administrative Offices located at 875 National Ave., Tahoe Vista, CA. 96148.

The Board of Directors may take action upon any item listed on the agenda at any time during the meeting. Scheduled items will be heard at or after the time noted, but the Directors may interrupt or defer discussion in order to deal with other matters. No action will be taken at the meeting on any business not appearing on the posted agenda except as permitted by Government Code Section 54954.2.

TIMED ITEMS ON THIS AGENDA

Timed items on this agenda will be heard no earlier than the time listed below:

2:00 P.M. Public Comment and Questions

2:30 P.M. Resolution 2024-29 Commending Linda Slack-Cruz

3:00 P.M. Annual Independent Audit Report

- A. CALL TO ORDER/OPEN SESSION/PLEDGE OF ALLEGIANCE**
- B. REVIEW AGENDA** - *Agenda Items may be taken off the agenda or taken out of order.*
- C. PUBLIC COMMENT AND QUESTIONS (2:00 P.M.):** *Any person wishing to address the Board of Directors on items on the agenda or matters of interest to the District not listed elsewhere on the agenda may do so at this time. Please limit comments and questions to three (3) minutes since no action can be taken on items presented under Public Comment.*
- D. EMPLOYEE ANNIVERSARY AWARDS:**
- Leslie Tocher – General Ledger Accountant – 5 Years of Service
- E. REPORTS TO THE BOARD OF DIRECTORS:** *Reports are informational only, and no action will be taken.*
1. [Tahoe-Truckee Sanitation Agency \(T-TSA\) Report \(Page 4\)](#)
 2. Board Committee Reports

- F. CONSENT CALENDAR:** *Consent Calendar items are routine items which are approved without discussion or comment. If an item requires discussion, it may be removed from the Consent Calendar prior to action.*
1. Approve Accounts Paid and Payable for the Period from November 12, 2024 – December 9, 2024 (Page 5)
 2. Approve the Regular Meeting Minutes of November 12, 2024 (Pages 6-10)
 3. Authorize Funding a Portion of the District's CalPERS Unfunded Pension Liability Obligation (Pages 11-55)
 4. Approve Updates to the District's Substance Abuse Policies and Authorize the General Manager to Execute a Side Letter with Local 39 (Pages 56-154)
- G. GENERAL BUSINESS**
1. Review, Discuss, and Possibly Adopt Resolution 2024-29 Commending Linda Slack-Cruz for Her Leadership and Outstanding Public Service as a Recreation and Parks Commissioner of the North Tahoe Public Utility District (Time Certain 2:30 p.m.) (Pages 155-156)
 2. Review, Discuss, and Possibly Accept the Annual Independent Audit Report of Financial Statements for Fiscal Year 2023-2024 with Presentation by Brad Bartells of MUN CPAs (Time Certain 3:00 p.m.) (Pages 157-239)
 3. Review, Discuss, and Possibly Appoint Three Recreation and Parks Commissioners – Three-Year Terms (1/1/25 through 12/31/27) and One Alternate Recreation and Parks Commissioner – One-Year Term (1/1/25 through 12/31/25) (Pages 240-262)
 4. Review and Discuss Summer 2024 Park and Boat Launch Utilization (Pages 263-271)
- H. BOARD ORGANIZATIONAL MATTERS FOR CALENDAR YEAR 2025**
1. **Selection of Officers for 2025** (Page 272)
 - a. President
 - b. Vice President
 - c. Secretary
 2. **Committee Appointments for 2025** (Pages 273-274)
 - a. Development and Planning Committee
 - b. Finance Committee
 - c. Personnel Committee
 - d. Recreation and Parks Committee
 - e. Other Committees
 3. **Set Regular Meetings and Committees Date/Time/Locations for 2025** (Page 275)
 - a. *Please note: Veterans Day is Tuesday, November 11, 2025 and an alternative date should be selected for the Board of Directors' Regular*
- I. MANAGEMENT TEAM INFORMATIONAL UPDATES:** *Reports are informational only, and no action will be taken.*
1. General Manager/CEO Report (Pages 276-278)
 2. Public Information Officer Report (Pages 279-285)
 3. Accounting Department Report for the month ending October 31, 2024 (Pages 286-321)
 - a. Monthly Financial Report

- b. Treasurer's Report
- 4. [Recreation, Parks, and Facilities Department Report \(Pages 322-323\)](#)
- 5. [Planning and Engineering Department Report \(Pages 324-332\)](#)
- 6. [Utility Operations Department Report \(Pages 333-336\)](#)
- 7. [Legal Report \(Pages 337-340\)](#)

J. BOARD COMMENTS

K. [LONG RANGE CALENDAR \(Pages 341-344\)](#)

L. PUBLIC COMMENT AND QUESTIONS: *See protocol established under Agenda Item C, Public Comment and Questions.*

M. CLOSED SESSION

- 1. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION –**
Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: 1 case

N. ADJOURNMENT



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: E-1

FROM: Tahoe-Truckee Sanitation Agency (T-TSA) Representative

SUBJECT: T-TSA Regular Board of Directors Meeting Summary – November 2024

DISCUSSION:


The regular T-TSA Board of Directors Meeting scheduled for November 20, 2024, was canceled. The next regularly scheduled meeting is Wednesday, December 18, 2024, 9 a.m.

LINKS:


[August 21, 2024 Board Minutes](#)

[October 16, 2024 Board Agenda and Packet](#)

REVIEW TRACKING:

Submitted By: 

Scott Wilson
T-TSA Representative

Approved By: 

Bradley A. Johnson, P.E.
General Manager/CEO



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: F-1

FROM: Accounting Department

SUBJECT: Approve Accounts Paid and Payable for the Period from November 12th, 2024 – December 9th, 2024

RECOMMENDATION:

Approve accounts paid and payable from November 12th, 2024, through December 9th, 2024.

DISCUSSION:

Pursuant to California Public Utilities Code 16116, "The Accountant ... shall draw all warrants to pay demands made against the District when the demands have been first approved by a majority of the Board present at the meeting at which the demands are acted upon." The Chief Financial Officer presents the Finance Committee with both Accounts Paid (warrants or checks written) and Accounts Payable (warrants or checks to be written or demands) for its review.

FISCAL ANALYSIS:


Sufficient funds are included in the 2024-2025 Fiscal Year budget. District staff and the Finance Committee have reviewed and recommended these accounts paid and payable as appropriate District expenditures.

ATTACHMENTS: N/A

MOTION: Approve Staff Recommendation

REVIEW TRACKING:

Submitted By: 
Lori Pommerenck
Interim Chief Financial Officer

Approved By: 
Bradley A. Johnson, P.E.
General Manager/CEO



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: F-2

FROM: Office of the General Manager

SUBJECT: Approve the Regular Meeting Minutes of November 12, 2024

RECOMMENDATION:

Approve the Regular Meeting Minutes of November 12, 2024

DISCUSSION:

At the regular Board meeting and any special Board meetings, draft minutes from meeting(s) held during the previous month are presented to the Board of Directors for review and approval. Meeting minutes represent the official record of the District's actions. Minutes are considered to be a vital and historical record of the District.

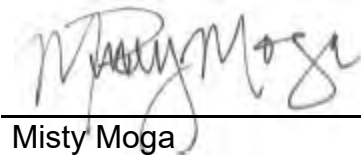
FISCAL ANALYSIS: No Fiscal Impact

ATTACHMENTS: Draft Minutes from November 12, 2024

MOTION: Approve Staff Recommendation

REVIEW TRACKING:

Submitted By: _____



Misty Moga
Administrative Liaison

Approved By: _____



Bradley A. Johnson, P.E.
General Manager/CEO



DRAFT MINUTES

**NORTH TAHOE PUBLIC UTILITY DISTRICT
Board of Directors Regular Meeting
North Tahoe Event Center, 8318 N Lake Blvd.
Kings Beach, CA**

Tuesday, November 12, 2024, at 2:00 p.m.

CALL TO ORDER/ESTABLISH QUORUM

The regular meeting of the North Tahoe Public Utility District Board of Directors was held on Tuesday, November 12, 2024, at 2:00 p.m. at the North Tahoe Event Center. Directors Thompson, Daniels, Hughes, Mourelatos (arrived at 2:07 p.m.), and President Coolidge were present. District Staff in attendance included General Manager Johnson, Public Information Officer Broglio, Engineering and Operations Manager Pomroy, Utility Operations Manager Fischer, and Administrative Liaison/Board Secretary Moga. Legal Counsel Nelson was also present. The Pledge of Allegiance was recited. There were no changes to the agenda.

OPEN SESSION

PUBLIC COMMENT – There were no requests for public comment.

EMPLOYEE ANNIVERSARY AWARDS: Leslie Tocher – General Ledger Accountant – 5 Years of Service. This item was postponed to the December meeting.

REPORTS TO THE BOARD OF DIRECTORS: *Reports are informational only, and no action will be taken.*

Tahoe-Truckee Sanitation Agency (T-TSA) Report – TTSA Representative Wilson was not in attendance. There were no questions or comments by the Board members.

Recreation & Parks Commission Report – Commissioner O'Brien was not in attendance. There were no questions or comments by the Board members.

Board Committee Reports – The Finance Committee recommends items from the agenda according to Coolidge. Thompson agreed with the items presented at Development & Planning Committee.

CONSENT CALENDAR: *Consent Calendar items are routine items which are approved without discussion or comment. If an item requires discussion, it may be removed from the Consent Calendar prior to action.*

- Approve Accounts Paid and Payable for the Period from October 8, 2024 – November 11, 2024
- Approve the Regular Meeting Minutes of October 8, 2024
- Authorize the General Manager to File a Notice of Completion for the 2024 Water Service Line Replacement Project

- Authorize the General Manager to Execute a Purchase Order with Q&D Construction for Mutual Aid Services during the July 18, 2024 Carnelian Bay Forcemain Strike and Sewer Spill Emergency

MOTION: Director Thompson moved to approve the Consent calendar items. Director Daniels seconded the motion which carried unanimously in favor.

GENERAL BUSINESS

Water Loss Investigation and Recovery Presentation and Discussion – EOM Manager Pomroy and UOM Fischer provided a PowerPoint presentation. In response to Mourelatos' inquiry regarding national and international water loss data, EOM Pomroy spoke about how trade organizations such as the American Water Works Association capture and study industry standards. Additionally, EOM Pomroy spoke about California laws and regulations. The Board and Staff discussed the cost of water production, water loss, and future investments in watermain rehabilitation. GM Johnson spoke about deploying resources and addressing the worst pipes first.

Review, Discuss, and Possibly Appoint Incumbent Recreation and Parks Commissioners to New Three-Year Terms and Review, Discuss, and Possibly Authorize the President to Sign a Letter of Recognition for Linda Slack-Cruz for her Service and Dedication as a Recreation and Parks Commissioner – GM Johnson introduced the item. Director Daniels expressed her desire to open the selection process to encourage more public engagement and to gather new ideas. Director Thompson agreed with this approach. President Coolidge pointed out that the three incumbents would not be included in the discussion and that the remaining three Commissioners would make the decision. Director Mourelatos stated his support for the Staff's recommendation to reappoint the incumbents and inquired about the possibility of expanding the Commission's seats. GM Johnson noted that doing so would require amending the Commission By-Laws as well as that expanding the Commission would expand the number of members required to be in attendance to establish a quorum, which could present challenges.

Commissioner Hughes suggested it's beneficial for new appointees to serve as alternates in order to learn the process. She also stated that she does not support changing the by-laws to increase the number of Commission seats. In response to Director Hughes' support for Alternate Commissioner Williams becoming a full Commissioner, GM Johnson clarified that Ms. Williams is a business owner and does not reside in the District. President Coolidge agreed with Directors Daniels and Thompson, expressing a desire to hear from all applicants. Additionally, President Coolidge requested a formal resolution format recognizing Linda Slack Cruz for her service.

MANAGEMENT TEAM INFORMATIONAL UPDATES – *Reports are informational only, and no action will be taken.*

General Manager/CEO Report – GM Johnson highlighted items from his report. He provided an update on the Propositions that had been passed or failed during the election. The Board

briefly discussed the Truckee Tahoe Airport District Board advocating for support of funding district-wide transportation initiatives.

Public Information Officer Report – PIO Broglio highlighted key points from his report, including the Secline Community Open House, communication to the homeowners regarding waterline replacement, and the climate registry dashboard. New Kings Beach Visitors Center will host a new “Coffee Connect” on 11/13 from 8-10 a.m.

Accounting Department Report for the month ending September 30, 2024 – Interim CFO Pommerenck was absent. GM Johnson provided an overview of the draft financial reports. Director Daniels complimented the updated formatting of the reports.

Recreation, Parks, and Facilities Department Report – RPF Manager Oberacker was absent. GM Johnson highlighted the fall activities and program successes. Director Daniels complimented garden staff member Heather Kenison-Cullen. Director Mourelatos complimented Staff’s flexibility to keep the pickleball and tennis courts open longer based on the community’s feedback.

Planning and Engineering Department Report – EOM Pomroy was available to answer questions. In response to President Coolidge’s inquiry, GM Johnson spoke about the NTEC architectural study and future restroom update. In response to Director Mourelatos’ inquiry about project status, GM Johnson provided an update on the consultant’s pending parking management scope of work and the corporation yard project.

Utility Operations Department Report – UOM Fischer announced newly CDL-licensed employees and proposed improvements to manhole elevations.

Legal Report – Josh Nelson, Legal Counsel, highlighted the recent legislative updates, including updates to the Levine Act Campaign Contribution Restrictions for 2025. He also provided an update on three new bills governing rate-setting under Proposition 218.

BOARD COMMENTS – Director Daniels announced the recent passing of a former District legal counsel, Neil Eskind. She read his obituary and spoke about his legacy.

LONG RANGE CALENDAR – The long-range calendar was reviewed, including the upcoming Tree Lighting on Friday, 12/6, and Employee Appreciation Dinner on 12/14.

PUBLIC COMMENT – There were no requests for public comments.

The Board went to a closed session at 5:26 p.m., and there would be no reportable action.

CLOSED SESSION

CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION – *Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of Section 54956.9: 1 case*

ADJOURNMENT – With no further business to come before the Board, the meeting was adjourned at 5:51 p.m.



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: F-3

FROM: Finance Department

SUBJECT: Authorize Funding a Portion of the District's CalPERS Unfunded Pension Liability Obligation

RECOMMENDATION:

Authorize reserves used in the amount of \$971,359 to fund a portion of the District's CalPERS unfunded pension liability obligation.

DISCUSSION:

Currently, after consideration of the reserves designated for capital investment and debt service, the District has unbudgeted reserves in excess of the Minimum Reserve Policy in the amount of \$2.4M. In the interest of being good stewards of public funds, with particular attention to the District's financial sustainability efforts, and consistent with the District's CalPERS Unfunded Liability Policy, the Finance Committee and Management Team have prepared a recommendation to fund \$971,359 against the District's CalPERS pension liability. This recommendation is the culmination of an extensive CalPERS pension liability analysis conducted by the Finance Committee with Management.

As of the latest actuarial report, dated June 30, 2023, the District has an unfunded Pension Liability with CalPERS in the amount of approximately \$1,236,054, which is a funding ratio of 92.5%. The current amortization and repayment schedule is based on a 6.8% assumption of return to CalPERS Pension Plan. Management recommends reducing the unfunded portion to a 98% funding ratio, or about \$265,000 with the recognition that actual market trends will affect the District's liability in the future.

During the course of the annual Unfunded Liability and Prefunding policy adherence review, the Finance Committee noted the CalPERS prefunding via 115 Trust status compared to the current projected one year's CalPERS expense had a shortfall of \$21,155. As the amount is de minimis and within the parameters of compliance with policy, no action is recommended for additional prefunding via the 115 Trust.

FISCAL ANALYSIS:

The immediate effect on Reserves will be \$971,359 as a result of the Unfunded Pension Liability reduction.

STRATEGIC PLAN ALIGNMENT:

Goal 3: Enhance District governance and partnerships – Objective A: Maintain best practices in public agency governance throughout all levels of the District – Objective B: Ensure financial sustainability of the District


ATTACHMENTS:

- CalPERS History & Unfunded Liability Presentation
- CalPERS 115 Trust Prefunding Presentation

MOTION: Approve Staff Recommendation

REVIEW TRACKING:

Submitted By: 
Lori Pommerenck
Interim Chief Financial Officer

Approved By: 
Bradley A. Johnson, P.E.
General Manager/CEO

CalPERS Unfunded Liability Annual Review



Current Update

July 15, 2024 CalPERS Memo



Preliminary Investment Return FY23-24 Fiscal Year 9.3%

Total fund annualized returns for:

the five-year period ending June 30, 2024, stood at 6.6%,

the 10-year period at 6.2%,

the 20-year period at 6.7%,

and the 30-year period at 7.7%.

NTPUD & CalPERS

NTPUD & CalPERS



- NTPUD Joined CalPERS August of 2011
- NTPUD Pooled with Organizations < 100 Active Members
- An Agency Default Does Not Affect Other Agencies
- Contribution Rate Set to Cover Normal Costs
- Higher Returns Experienced -> Contribution Rate Decrease
- Lower Discount Rate -> Contribution Rate Increase
- Other Assumptions

NTPUD Contribution & Funding History Classic



Contribution Year	Employer Normal Cost Rate
2016 - 17	8.377%
2017 - 18	8.418%
2018 - 19	8.892%
2019 - 20	9.680%
2020 - 21	10.484%
2021 - 22	10.34%
2022 - 23	10.32%
2023 - 24	11.84%
2024 - 25	11.88%
2025 - 26	11.94%

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio
06/30/2014	\$2,306,710	\$2,143,874	\$162,836	92.9%
06/30/2015	2,947,241	2,718,919	228,322	92.3%
06/30/2016	3,680,507	3,166,242	514,265	86.0%
06/30/2017	4,807,470	4,323,271	484,199	89.9%
06/30/2018	6,145,693	5,429,862	715,831	88.4%
06/30/2019	6,933,223	6,669,407	263,816	96.2%
06/30/2020	8,137,357	7,630,073	507,284	93.8%
06/30/2021	8,587,430	9,016,725	(429,295)	105.0%
06/30/2022	9,475,023	8,792,119	682,904	92.8%
06/30/2023	10,626,000	9,649,541	976,459	90.8%



NTPUD Contribution & Funding History PEPR

Contribution Year	Employer Normal Cost Rate
2016 - 17	6.555%
2017 - 18	6.533%
2018 - 19	6.842%
2019 - 20	6.985%
2020 - 21	7.732%
2021 - 22	7.59%
2022 - 23	7.47%
2023 - 24	7.68%
2024 - 25	7.87%
2025 - 26	7.96%

Valuation Date	Accrued Liability (AL)	Share of Pool's Market Value of Assets (MVA)	Unfunded Accrued Liability (UAL)	Funded Ratio
06/30/2014	\$21,950	\$23,851	(\$1,901)	108.7%
06/30/2015	60,912	59,057	1,855	97.0%
06/30/2016	67,189	59,488	7,701	88.5%
06/30/2017	224,733	217,713	7,020	96.9%
06/30/2018	392,198	365,200	26,998	93.1%
06/30/2019	556,748	533,971	22,777	95.9%
06/30/2020	893,874	840,324	53,550	94.0%
06/30/2021	1,329,730	1,429,738	(100,008)	107.5%
06/30/2022	1,815,117	1,651,012	164,105	91.0%
06/30/2023	2,608,742	2,349,147	259,595	90.0%

NTPUD Classic to PEPRA Employees



	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Classic Members							
Active	33	29	27	26	23	20	17
Retired	4	7	12	13	14	17	19
PEPRA Members							
Active	12	14	18	20	24	30	33
Retired	0	1	1	1	1	1	1

	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023
Classic Members							
Active	73%	67%	60%	57%	49%	40%	34%
Retired	100%	88%	92%	93%	93%	94%	95%
PEPRA Members							
Active	27%	33%	40%	43%	51%	60%	66%
Retired	0%	13%	8%	7%	7%	6%	5%

CalPERS Unfunded Liability



Unfunded Accrued Liability

- Decrease in Discount Rate -> Increase in Unfunded Liability
- Zero Unfunded Liability with Higher Returns = Surplus Assets (earn same rate of return as Pooled)
- Current Valuation Date – June 30th 2023
- Current Discount Rate = 6.8%
- Current UAL Balance = \$1,236,054
- Projected Balance Through Current Fiscal Year End = \$720,758
- There are no significant changes to the actuarial methods or assumptions for the June 30, 2023 actuarial valuation

Subsequent Events Notes from CalPERS



- During the time period between the valuation date and the publication of this report, inflation has been higher than the expected inflation of 2.3% per annum. Since inflation influences cost-of-living increases for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on contribution requirements and downward pressure on the funded status in the June 30, 2024, valuation. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists.
- The 2023 annual benefit limit under Internal Revenue Code (IRC) section 415(b) and annual compensation limits under IRC section 401(a)(17) and Government Code section 7522.10 were used for this valuation and are assumed to increase 2.3% per year based on the price inflation assumption. The actual 2024 limits, determined in October 2023, are not reflected.
- On April 16, 2024, the board took action to modify the Funding Risk Mitigation Policy to remove the automatic change to the discount rate when the investment return exceeds various thresholds. Rather than an automatic change to the discount rate, a board discussion would be placed on the calendar. The 95th percentile return in the Future Investment Return Scenarios exhibit in this report has not been modified and still reflects the projected contribution requirements associated with a reduction in the discount rate.

Unfunded Liability



[Home](#) [Members](#) [Retirees](#) [Employers](#) [Investments](#)

CalPERS Reports Preliminary 9.3% Investment Return for 2023-24 Fiscal Year

July 15, 2024

The investment return outpaced the discount rate of 6.8%, comparable to an assumed rate of return and a policy marker established by the CalPERS Board of Administration. It was also a notable improvement from the two most recent fiscal years, where investment returns were influenced by a variety of economic and geopolitical challenges.

When using the preliminary net return of 9.3% to assess long-term obligations, the overall estimated funded status of the Public Employees' Retirement Fund (PERF) stands at 75%.

"Our investing strategy was well positioned to take advantage of improving economic conditions over the past 12 months," said CalPERS Chief Executive Officer Marcie Frost. "Meeting or exceeding our long-term investing goals is crucial for providing the retirement benefits that our 2 million members and their families are counting on."

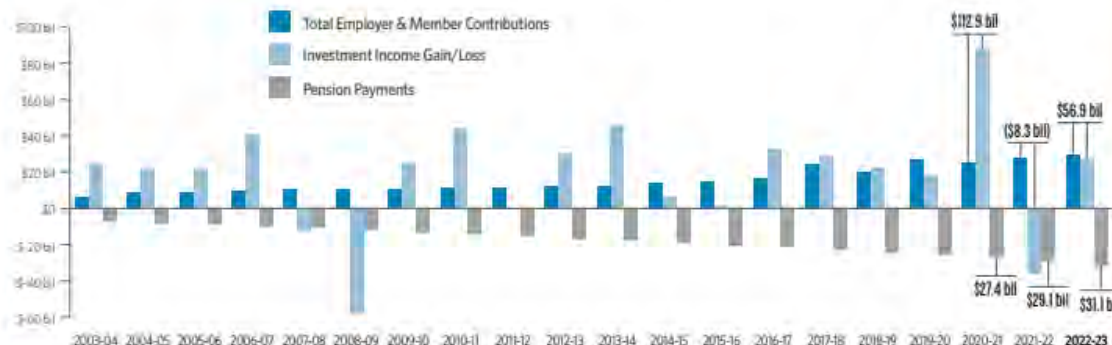
Selected Excerpts

June 30, 2023 Facts at a Glance

Investment Returns¹ & Market Value of Assets²

FY	Investment Returns	Market Value of Assets (in billions)
2022-23	5.8%	\$464.6
2021-22	(6.1%)	\$439.4
2020-21	21.3%	\$477.3
2019-20	4.7%	\$392.5
2018-19	6.7%	\$372.6
2017-18	8.6%	\$354.0
2016-17	11.2%	\$326.5
2015-16	0.6%	\$298.7
2014-15	2.4%	\$302.8
2013-14	18.4%	\$301.8

Total contributions¹ and investment income together serve as the financial foundation to pay lifetime pension benefits, even in down market years.



\$29.9 bil

Total Contributions¹
(FY 2022-23)
↑7.3% change
from previous FY

\$27.0 bil

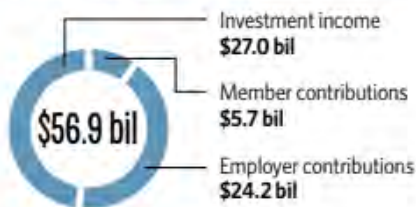
Investment Income
(FY 2022-23)
↑174.6% change
from previous FY

\$31.1 bil

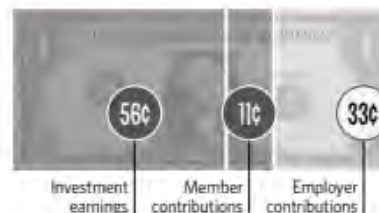
Pension Payments
(FY 2022-23)
↑6.7% change
from previous FY

Contributions to the Fund

Funding by Source (FY 2022-23)



How Public Employee Pensions Are Funded



Every dollar paid to CalPERS retirees comes from three sources, with more than two thirds coming from CalPERS investment earnings and member contributions.²

UAL June 30, 2023



CalPERS Actuarial Valuation - June 30, 2023
 Miscellaneous Plan of the North Tahoe Public Utility District
 CalPERS ID: 4563533857

	June 30, 2022	June 30, 2023
1. Present Value of Benefits	\$12,061,786	\$13,042,144
2. Entry Age Accrued Liability	9,475,023	10,626,000
3. Market Value of Assets (MVA)	8,792,119	9,649,541
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	\$682,904	\$976,459
5. Funded Ratio [(3) ÷ (2)]	92.8%	90.8%

CalPERS Actuarial Valuation - June 30, 2023
 PEPRA Miscellaneous Plan of the North Tahoe Public Utility District
 CalPERS ID: 4563533857

Funded Status – Funding Policy Basis

	June 30, 2022	June 30, 2023
1. Present Value of Benefits	\$5,489,062	\$7,226,171
2. Entry Age Accrued Liability	1,815,117	2,608,742
3. Market Value of Assets (MVA)	1,651,012	2,349,147
4. Unfunded Accrued Liability (UAL) [(2) – (3)]	\$164,105	\$259,595
5. Funded Ratio [(3) ÷ (2)]	91.0%	90.0%

NTPUD Recommended UAL Funding Payment



CalPERS Unfunded Accrued Liability (UAL)

	Balance	Funding
	6/29/2023	Recommdation
		98%
Accrued Liability	13,234,741	12,970,046
Market Value of Assets	11,998,687	11,998,687
Unfunded Accrued Liability	1,236,054	971,359

NTPUD Unfunded Updated for June 30, 2023



						Projected
Expected Return (Discount Rate)	7.0%	7.0%	7.0%	6.8%	6.8%	6.8%
Announced Return	6.7%	4.7%	21.3%	-6.1%	5.8%	9.3%
Classic	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024
Accured Liability	6,933,223	8,137,357	8,587,430	9,475,023	10,626,000	
Market Value of Assets	6,669,407	7,630,073	9,016,725	8,792,119	9,649,541	
Unfunded Accrued Liability	263,816	507,284	(429,295)	682,904	976,459	
Funding Ratio	96.2%	93.8%	105.0%	92.8%	90.8%	
PEPRA						
Accured Liability	556,748	893,874	1,329,730	1,815,117	2,608,742	
Market Value of Assets	533,971	840,324	1,429,738	1,651,012	2,349,147	
Unfunded Accrued Liability	22,777	53,550	(100,008)	164,105	259,595	
Funding Ratio	95.9%	94.0%	107.5%	91.0%	90.0%	
Total						
Accured Liability	7,489,971	9,031,231	9,917,160	11,290,140	13,234,742	
Market Value of Assets	7,203,378	8,470,397	10,446,463	10,443,131	11,998,688	
Unfunded Accrued Liability	286,593	560,834	(529,303)	847,009	1,236,054	
Funding Ratio	96.2%	93.8%	105.3%	92.5%	90.7%	
Funding at 98% Level						
		8,850,606	9,718,817	11,064,337	12,970,047	
UAL Payment	FY 19	FY 21	FY 22	FY 23	FY 24	FY 25 Proposed
	593,309	-	380,209	-	621,206	971,359

* Will be reflected in publication of 6/30/24 Actuarial Report

NTPUD Current UAL Projected Amount



	Balance 6/30/2023	Projected Balance 6/29/2024	Projected Balance 6/30/2025
Classic Members	\$ 976,459	\$ 536,673	\$ 566,618
PEPRA Members	259,595	146,133	154,140
Total	<u>\$ 1,236,054</u>	<u>\$ 682,806</u>	<u>\$ 720,758</u>

NTPUD Classic Funded Status Sensitivity

As of June 30, 2023	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	23.75%	18.87%	15.16%
b) Accrued Liability	\$12,170,126	\$10,626,000	\$9,344,862
c) Market Value of Assets	\$9,649,541	\$9,649,541	\$9,649,541
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$2,520,585	\$976,459	(\$304,679)
e) Funded Ratio	79.3%	90.8%	103.3%

As of June 30, 2023	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	5.8%	6.8%	7.8%
Price Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	19.78%	18.87%	17.22%
b) Accrued Liability	\$11,060,853	\$10,626,000	\$9,754,956
c) Market Value of Assets	\$9,649,541	\$9,649,541	\$9,649,541
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$1,411,312	\$976,459	\$105,415
e) Funded Ratio	87.2%	90.8%	98.9%

As of June 30, 2023	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	19.19%	18.87%	18.57%
b) Accrued Liability	\$10,842,393	\$10,626,000	\$10,426,295
c) Market Value of Assets	\$9,649,541	\$9,649,541	\$9,649,541
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$1,192,852	\$976,459	\$776,754
e) Funded Ratio	89.0%	90.8%	92.6%

NTPUD PEPRA Funded Status Sensitivity



As of June 30, 2023	1% Lower Real Return Rate	Current Assumptions	1% Higher Real Return Rate
Discount Rate	5.8%	6.8%	7.8%
Price Inflation	2.3%	2.3%	2.3%
Real Rate of Return	3.5%	4.5%	5.5%
a) Total Normal Cost	19.65%	15.71%	12.71%
b) Accrued Liability	\$3,071,448	\$2,608,742	\$2,232,916
c) Market Value of Assets	\$2,349,147	\$2,349,147	\$2,349,147
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$722,301	\$259,595	(\$116,231)
e) Funded Ratio	76.5%	90.0%	105.2%

As of June 30, 2023	1% Lower Price Inflation	Current Assumptions	1% Higher Price Inflation
Discount Rate	5.8%	6.8%	7.8%
Price Inflation	1.3%	2.3%	3.3%
Real Rate of Return	4.5%	4.5%	4.5%
a) Total Normal Cost	16.56%	15.71%	14.29%
b) Accrued Liability	\$2,724,436	\$2,608,742	\$2,387,045
c) Market Value of Assets	\$2,349,147	\$2,349,147	\$2,349,147
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$375,289	\$259,595	\$37,898
e) Funded Ratio	86.2%	90.0%	98.4%

As of June 30, 2023	10% Lower Mortality Rates	Current Assumptions	10% Higher Mortality Rates
a) Total Normal Cost	15.98%	15.71%	15.46%
b) Accrued Liability	\$2,668,792	\$2,608,742	\$2,553,555
c) Market Value of Assets	\$2,349,147	\$2,349,147	\$2,349,147
d) Unfunded Liability/(Surplus) [(b) - (c)]	\$319,645	\$259,595	\$204,408
e) Funded Ratio	88.0%	90.0%	92.0%

Unfunded Accrued Liability (UAL) Policy



- Finance Committee Recommended
 - Actuarial Valuation Report Funding Position and Sensitivity Annual Review
 - Minimum Funding Level 98%
- Board Approved December 14th, 2021

Recommendation



- Submit Payment of \$971,359 to bring the CalPERS UAL to 98%

History

CalPERS Unfunded Liability



- October of 2018
 - Board Began Discussion of then Current Unfunded Liability of \$618,780 Based on June 30, 2018 Valuation as per Actuarial Report
 - Paying Unfunded Liability Interest Rate 7%
 - Board Direction to Bring Back with Recommendation
- January of 2019
 - Board Authorized Payment of Up To \$620,000 of Unfunded Liability to Bring to Zero
 - Board Direction to Monitor for Further Action

Finance Committee Review & Analysis

- June 7th & July 12th, 2021
 - CalPERS History and Rate Setting
 - Decline in Low-Risk Investment Opportunities Affect on Return
 - Historical Funding Status
 - Contribution Rate History
 - Affect of Classic & PEPRAs Employee Mix
 - Unfunded Liability Sensitivity Factors
 - Historical Pension Costs Including Unfunded Liability
- August 9th, 2021
 - CalPERS Announced 21.3% Returns for FY 2020-21
 - Reduction in Discount Rate to 6.8%
- September 13th, 2021
 - June 30, 2020 CalPERS Actuarial Valuation Published
 - Continued Monitoring and Maintenance of Liability
- November 8th, 2021
 - Conclusion and recommendation

Unfunded Accrued Liability (UAL)

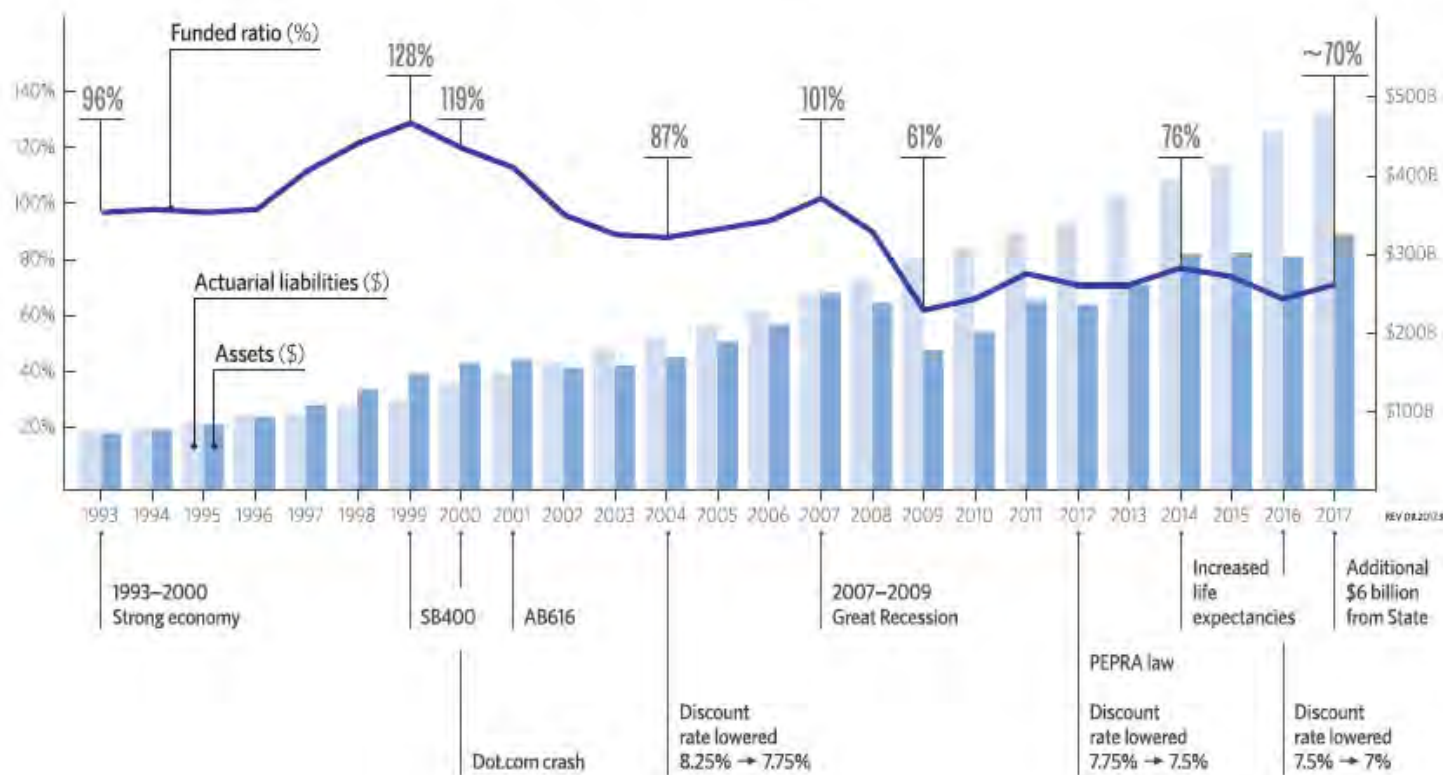
December 2021



- Finance Committee Recommendation
 - Actuarial Valuation Report Funding Position and Sensitivity Annual Review by Finance Committee
 - Expected Annual Review in Fall Upon Publication of Actuarial Review
 - Minimum Funding Level 98%
 - Publish Unfunded Liability Policy
- December 14th, 2021
 - Board Adopted Unfunded Pension Liability Policy
 - Board Authorized Payment to Bring Funding Ratio to 98%

CalPERS History & Rate Setting

Historical Factors Impact Funded Status (1993-2017)



CalPERS March 28, 2018

20 Year Treasury Yield



<https://www.macrotrends.net/2016/20-year-treasury-bond-rate-yield-chart>

Recent High 10/31/22 4.17% => Yield as of 7/31/23: 4.05%

Approved Discount Rate Phase-In

Valuation Date	FY Required Contribution	Discount Rate
June 30, 2016	2018-19	7.375%
June 30, 2017	2019-20	7.25%
June 30, 2018	2020-21	7.00%

CalPERS February 6, 2017

CalPERS Reports Preliminary 21.3% Investment Returns for Fiscal Year 2020-21; Strong Returns Trigger Reduction in Discount Rate to 6.8%

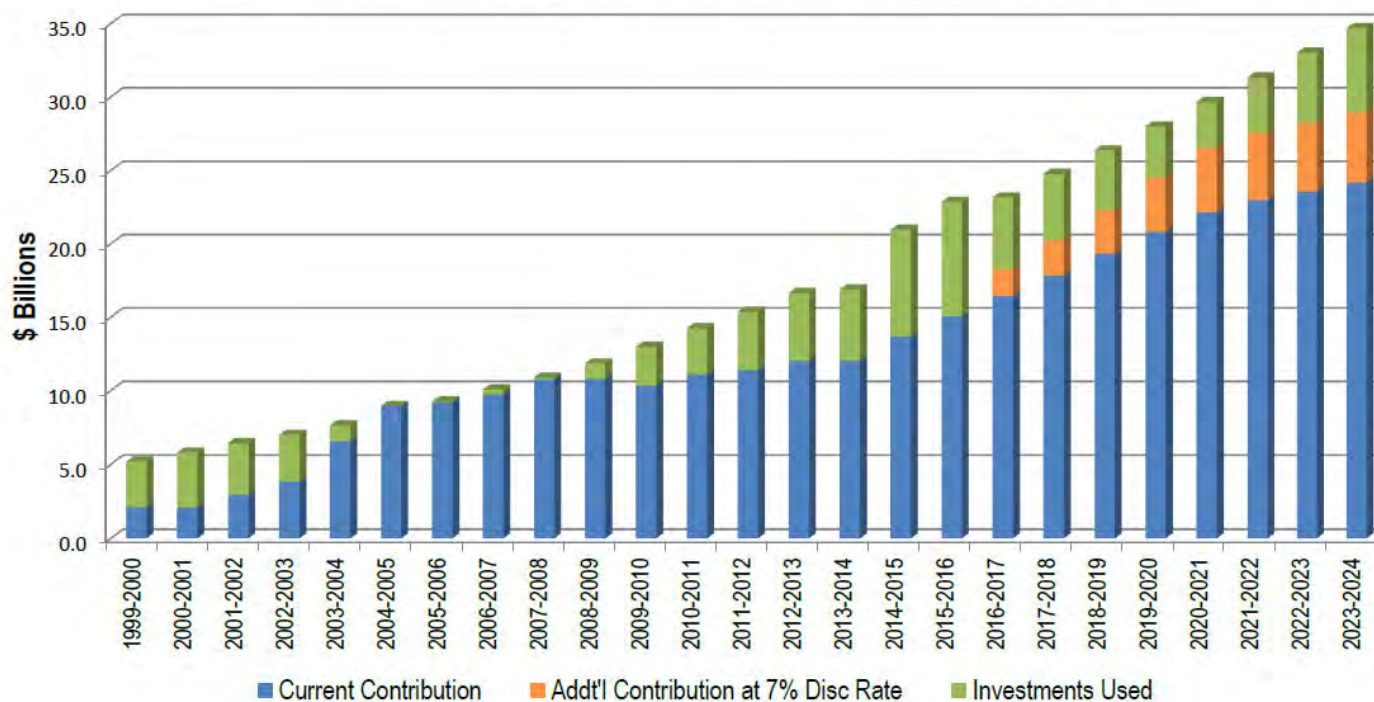
Based on these preliminary fiscal year returns, the funded status of the overall PERF is an estimated 82%. This estimate is based on a 7% discount rate. Under the new 6.8% discount rate, however, the funded status of the overall PERF drops to 80%. This is because existing assets are assumed to grow at a slightly slower rate annually into the future. As intended under the Funding Risk Mitigation Policy, the lower discount rate increases the likelihood that CalPERS can reach its target over the longer term.

The 2020-21 fiscal year returns brings total fund performance to 10.3% for the five-year period, 8.5% for the 10-year period, and 6.9% for the 20-year period. Over the past 30 years, the PERF returned an annualized return of 8.4%.

Selected Excerpts

Contribution & Benefit Payments

Historical & Projected PERF Contributions & Investments for Benefit Payments



CalPERS February 6, 2017

Who Pays for CalPERS Pensions?

How Public Employee Pensions Are Funded

Some people believe that taxpayers fund the total cost of public pensions. This isn't true.

The largest contribution comes from CalPERS' investments, with additional funding from employer and employee contributions. Some workers currently contribute up to 16.5% of their paychecks to help fund their own pensions.

The CalPERS Pension Buck illustrates the sources of income that fund public employee pensions.

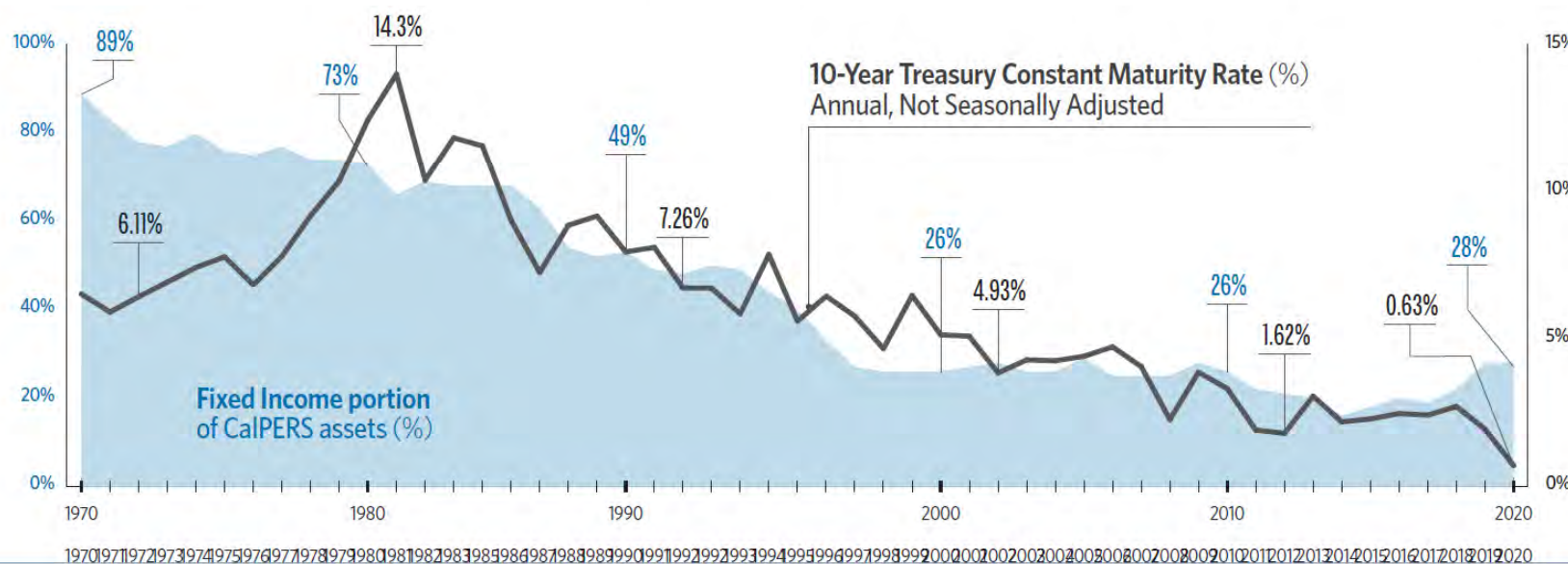
Based on data over the past 20 years ending June 30, 2021, for every dollar CalPERS pays in pensions:

- 60 cents comes from investment earnings
- 29 cents from employer contributions
- 11 cents from employee contributions

In other words, 71 cents out of every public employee pension dollar is funded by CalPERS' own investment earnings and member contributions. In the fiscal year ended June 2021, CalPERS paid out nearly \$ 27.4 billion in pension benefits.

Challenges to Achieving 7%

Availability of Low-Risk Investment Opportunities Have Decreased Over the Years



CalPERS July 21, 2020

GASB 68 Deferrals & Pension Expense



Deferrals and Change in Deferrals

Selected excerpts from The User's Perspective, December 2013

Deferrals are not revenues or expenses and are not assets or liabilities, even though they have been reported among assets and liabilities until now.

Like revenues and expenses, deferrals represent flows of resources into and out of a government during the fiscal year. However, unlike revenues and expenses, which are inflows and outflows of resources related to the period in which they occur, deferrals are related to future periods.

Admittedly, the terms “deferred inflow of resources” and “deferred outflow of resources” are potentially confusing. Their titles suggest that it is the inflow or outflow that has been deferred or delayed until later. But, as with revenues and expenses, the events associated with inflows and outflows related to deferrals have, in fact, already occurred. The thing that is being deferred is the recognition of those inflows and outflows as revenues and expenses. Recognition of revenues and expenses is deferred until the future period to which the inflows and outflows are related.

Current GASB 68 Calculation FYE June 30, 2024



Change in NPL	\$	349,413
Change in Deferred Inflows/Outflows		
Investment Gains/Losses	\$	(28,348)
Assumption Changes	\$	(84,692)
Experience Gains/Losses	\$	97,824
Proportion Change	\$	86,979
Actual vs. Expected Contribs	\$	(76,236)
Contribs after Measurement Date	\$	652,389
Subtotal	\$	647,916
Change in Net Position	\$	(298,503)

Current GASB 68 Calculation



		NPL	New Deferral	Recognized	Pension Expense
Service Cost	\$	269,185			\$ 269,185
Interest on Total Pension Liability	\$	759,960			\$ 759,960
Changes in Benefit Terms	\$	88			\$ 88
Differences between Expected and Actual Experience	\$	155,487	\$ 155,487	\$ (57,663)	\$ 57,663
Changes of Assumptions	\$	-	\$ -	\$ (84,692)	\$ 84,692
Contributions from the Employer	\$	(455,657)			\$ (455,657)
Contributions from Non-employer Contributing Entities	\$	-			\$ -
Contributions from Employees	\$	(142,594)			\$ (142,594)
Net Investment Income	\$	-			\$ -
Projected Earnings on Pension Plan Investments	\$	(713,820)			\$ (713,820)
Differences between Projected and Actual Earnings on Pension Plan Investments	\$	71,958	\$ 71,958	\$ (100,306)	\$ 100,306
Benefit Payments	\$	113,991			\$ 113,991
Administrative Expenses	\$	7,594			\$ 7,594
Other Miscellaneous Income	\$	-			\$ -
Net Plan to Plan Resource Movement	\$	(13)			\$ (13)
Recognized Difference between Actual & Proportional Contribs	\$	-	\$ (31,158)	\$ (45,078)	\$ 76,236
Recognized Change in Proportion	\$	283,234	\$ 207,481	\$ (120,502)	\$ 196,255
Contribs Received After Measurement Date	\$	-	\$ 1,076,888	\$ (424,499)	\$ (652,389)
Total Pension Expense Due to Measurement period Activity	\$	349,413	\$ 1,480,656	\$ (832,740)	\$ (298,503)
Difference Between Reported NPL and Proportion NPL	\$	-			\$ -
Change in Net Position	\$	349,413			\$ (298,503)
Less Employer Contributions	\$				\$ (1,076,888)
Pension Expense	\$				\$ 778,385

CalPERS Participation

Hypothetical Termination Cost



CalPERS Actuarial Valuation - June 30, 2023
 Miscellaneous Plan of the North Tahoe Public Utility District
 CalPERS ID: 4563533857

Funded Status – Termination Basis

	Discount Rate: 3.06% Price Inflation: 2.50%	Discount Rate: 5.06% Price Inflation: 2.50%
1. Termination Liability ¹	\$17,239,818	\$12,676,777
2. Market Value of Assets (MVA)	9,649,541	9,649,541
3. Unfunded Termination Liability[(1) – (2)]	\$7,590,277	\$3,027,236
4. Funded Ratio [(2) ÷ (1)]	56.0%	76.1%

CalPERS Actuarial Valuation - June 30, 2023
 PEPRA Miscellaneous Plan of the North Tahoe Public Utility District
 CalPERS ID: 4563533857

Funded Status – Termination Basis

	Discount Rate: 3.06% Price Inflation: 2.50%	Discount Rate: 5.06% Price Inflation: 2.50%
1. Termination Liability ¹	\$4,055,062	\$2,829,741
2. Market Value of Assets (MVA)	2,349,147	2,349,147
3. Unfunded Termination Liability[(1) – (2)]	\$1,705,915	\$480,594
4. Funded Ratio [(2) ÷ (1)]	57.9%	83.0%

NTPUD Historical Cost Comparison



		August															Budgeted
		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2025
CalPERS	Employee Benefits	328,723	413,902	411,930	415,432	424,180	339,825	310,624	267,889	278,844	304,459	340,520	355,358	395,413	439,304	504,229	504,229
	Pension Expense - Other Non-Op Expenses	-	-	-	-	(55,711)	(760,822)	6,816	216,789	146,833	175,255	128,202	(150,126)	59,273	322,703	250,000	250,000
	Payout CalPERS	-	-	28,771	-	13,459	-	-	-	-	-	-	-	-	-	-	-
	Total Expense							479,714	479,714	425,677	479,714	468,722	205,232	454,686	762,007	754,229	754,229
Deferred Pension Outflows	Expected Expense in Future Period	-	-	-	-	475,531	1,108,560	1,163,667	986,637	1,453,438	1,121,078	1,037,640	1,187,215	1,510,207	2,139,366		
Deferred Pension Inflows	Expected Revenue in Future Period	-	-	-	-	(249,986)	(182,657)	(117,422)	-	(66,521)	(366,382)	(218,121)	(1,068,788)	(102,597)	(83,840)		
	End of Fiscal Year Balance					225,545	925,903	1,046,245	986,637	1,386,917	754,696	819,519	118,427	1,407,610	2,055,526		
Salary & Wages (PERSable)		2,049,033	2,876,750	2,890,774	2,980,365	2,987,505	3,327,464	3,517,094	3,788,399	3,652,681	4,146,337	3,926,889	4,603,273	5,065,851	5,355,590	5,971,614	5,971,614
Hypothetical Contribution	5%	102,452	143,838	144,539	149,018	149,375	166,373	175,855	189,420	182,634	207,317	196,344	230,164	253,293	267,780	298,581	298,581
for Comparison Purposes	7%	143,432	201,373	202,354	208,626	209,125	232,922	246,197	265,188	255,688	290,244	274,882	322,229	354,610	374,891	418,013	418,013
	10%	204,903	287,675	289,077	298,037	298,750	332,746	351,709	378,840	365,268	414,634	392,689	460,327	506,585	535,559	597,161	597,161
	12%	245,884	345,210	346,893	357,644	358,501	399,296	422,051	454,608	438,322	497,560	471,227	552,393	607,902	642,671	716,594	716,594
	15%	307,355	431,513	433,616	447,055	448,126	499,120	527,564	568,260	547,902	621,951	589,033	690,491	759,878	803,339	895,742	895,742
CalPERS Contribution Rate	Classic								7.758%	7.995%	8.680%	9.484%	9.340%	9.340%	10.840%	10.880%	10.880%
	PEPRA								6.392%	6.456%	6.868%	7.241%	7.170%	7.170%	7.715%	7.810%	7.810%
	Actual Weighted Average of Employer Contributions								7.071%	7.634%	7.343%	8.671%	7.720%	7.805%	8.203%	8.444%	8.444%
	Amortized Unfunded Liability Expense								5.722%	4.020%	4.227%	3.265%	-3.261%	1.170%	6.026%	4.186%	4.186%
	Total Expense %								12.66%	11.654%	11.570%	11.936%	4.458%	8.976%	14.228%	12.630%	12.630%
	Total Expense % - Including employee contribution								19.73%	19.288%	18.912%	20.608%	12.178%	16.781%	22.431%	21.074%	21.074%
Mass Mutual		12.245%															
		15.000%															
Actuarial Valuation Report																	
Accrued Liability										6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024		
Market Value of Assets										7,489,971	9,031,231	9,917,160	11,290,140	13,234,742	15,514,280		
Unfunded Accrued Liability										7,203,378	8,470,397	10,446,463	10,443,131	11,998,688	13,114,566		
Rate of Return										286,593	560,834	(529,303)	847,009	1,236,054	2,399,714		
Growth of Accrued Liability										6.7%	4.7%	21.3%	-6.1%	5.8%	9.3%		
											20.6%	9.8%	13.8%	17.2%			

Definitions

- **Asset Liability Management (ALM)** — An integrated look at our assets and liabilities to determine the right mix of investments for our portfolio, specifically designed to achieve a sound and sustainable fund. Done on a rolling 4-year cycle.
- **Discount Rate** — Also known as the “assumed rate of return”. It is what we assume our \$304 billion in investments will return in a typical fiscal year, July 1 to June 30.
- **Normal Cost** — The annual cost of service accrual for the upcoming fiscal year for active employees. The normal cost should be viewed as the long term contribution rate.
- **Risk Mitigation Policy** — A mechanism that automatically reduces discount rate by a set amount when returns exceed a certain threshold.
- **Unfunded Liability / Unfunded Actuarial Accrued Liability (UAL)** — When a plan or pool’s Market Value of Assets is less than its Accrued Liability, the difference is the plan or pool’s Unfunded Liability. If the Unfunded Liability is positive, the plan or pool will have to pay contributions exceeding the Normal Cost.

FAQs



Question: How would a default of another organization affect our liability?

Answer: It would not. If an organization defaults, their portion of the liability and assets are removed from the pool and administered separately.

Question: In the case of surplus assets, would we earn a return on that amount?

Answer: Yes, all of the assets earn the same rate of return.

Question: Besides the market rate of return, what affects the unfunded liability?

Answer: Things that affect the unfunded liability include changes in actual compared to expected:

- Life span/Mortality Rate

- Retirement dates & longevity

- Level of Earnings at Retirement

- Discount Rate

- Inflation

- Other Actuarial Factors



CEPPT FY 23-24 Funding Level

- June 30, 2024 CEPPT Balance \$444,799
- CalPERS Project Expense \$465,954

Valuation Report Projected Expense

June 30, 2020 Valuation Report

June 30, 2021 Valuation Report

June 30, 2022 Valuation Report

June 30, 2023 Valuation Report

	FY 21-22	FY 22-23	FY 23-24	FY 24-25	FY 25-26
June 30, 2020 Valuation Report	374,322	420,274			
June 30, 2021 Valuation Report		420,274	425,618		
June 30, 2022 Valuation Report			425,618	465,954	
June 30, 2023 Valuation Report				465,954	516,758

- Shortfall \$21,155



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: F-4

FROM: Office of the General Manager

SUBJECT: Approve Updates to the District's Substance Abuse Policies and Authorize the General Manager to Execute a Side Letter with Local 39

RECOMMENDATION:

Approve Updates to the District's Substance Abuse Policies and Authorize the General Manager to Execute a Side Letter with Local 39 Amending the Memorandum of Understanding (MOU) Appendix C – Substance Abuse Policy (Safety Sensitive) and Appendix D – Substance Abuse Policy (Non-Safety Sensitive).

DISCUSSION:

Staff has been working with the District's labor attorney and the Labor Management Committee to review and revise the two substance abuse policies contained within the District's MOU with Local 39: Appendix C – Substance Abuse Policy (Safety Sensitive) and Appendix D – Drug and Alcohol Policy (Non-Safety Sensitive).

At the time the MOU was adopted in 2022, it was agreed that these two policies were significantly out of date and in need of overhaul. The two revised policies were streamlined to ensure the processes, language, and format were consistent between them. This makes it easier for employees to understand the process and supervisors to administer the policies consistently.

In addition to the streamlining, the Safety Sensitive Policy, which applies to the District's commercial driver license holders, was updated to reflect the current federal regulatory language. The Non-Safety Sensitive Policy, which applies to the non-commercial driver license holders, was updated to reflect changes in state laws and take into account the legalization of marijuana in California.

The proposed Substance Abuse Policies before the Board of Directors were developed with support from the District's labor attorney and were reviewed by the Personnel Committee. Additionally, IUOE Stationary Engineers, Local 39 has also agreed to the proposed policies.

FISCAL ANALYSIS: No fiscal impact.

STRATEGIC PLAN ALIGNMENT:

Goal 1: Provide safe, efficient, sustainable water and wastewater services with a focus on industry best practices and continuous improvement – Objective A: Comply with all regulatory mandates and environmental standards.

Goal 3: Enhance District governance and partnerships – Objective A: Maintain best practices in public agency governance throughout all levels of the District.

Goal 4: Sustain and strengthen organizational resources, expertise, and culture – Objective A: Maintain a culture of an empowered and professional workforce.


ATTACHMENTS:

1. Existing Appendix C – Substance Abuse Policy (Safety Sensitive)
2. Proposed Appendix C – Substance Abuse Policy (Safety Sensitive)
3. Redline Version of Appendix C – Substance Abuse Policy (Safety Sensitive) comparing existing to proposed
4. Existing Appendix D – Drug and Alcohol Policy (Non-Safety Sensitive)
5. Proposed Appendix D – Substance Abuse Policy (Non-Safety Sensitive)
6. Redline Version of Appendix D – Substance Abuse Policy (Non-Safety Sensitive) comparing existing to proposed

REVIEW TRACKING:

Submitted By: 

Kim Harris
Human Resources Manager

Approved By: 

Bradley A. Johnson, P.E.
General Manager/CEO

APPENDIX C SUBSTANCE ABUSE POLICY (SAFETY SENSITIVE)

The purpose of this policy is to assure worker fitness for duty and to protect our employees and the public from risks posed by the use of alcohol and controlled substances. This policy is also intended to comply with all applicable Federal regulations governing workplace anti-drug programs in the transportation industry. The Federal Highway Administration (FFIWA) of the Department of Transportation has enacted 49 CFR Part 382 that mandate urine drug testing and breathalyzer alcohol testing for safety-sensitive positions and prevents performance of safety-sensitive functions when there is a positive test result. The Department of Transportation has also enacted 49 CFR Part 40 that sets standards for the collection and testing of urine and breath specimens. In addition, the Department of Transportation has enacted 49 CFR Part 29, "The Drug-Free Workplace Act of 1988," which requires the establishment of drug free workplace policies and the reporting of certain drug-related offenses to the Department of Transportation. The policy incorporates those federal regulatory requirements of safety-sensitive employees and others when so noted, and applicable law shall take precedence over any contrary policy language.

NORTH TAHOE PUBLIC UTILITY DISTRICT recognizes that the use of alcohol and/or controlled substances in the workplace is not conducive to safe working conditions. In order to promote a safe, healthy and productive work environment for all employees, it is the objective of the District to have a work force that is free from the influence of alcohol and controlled substances. This policy defines prohibited conduct, testing requirements and procedures, and rehabilitation and return-to-work requirements.

A. APPLICABILITY

This policy applies to all safety-sensitive employees and contractors when they are on District property or when performing any District related business. It applies to off-site lunch periods and breaks when a safety-sensitive employee is scheduled to return to work. Visitors, vendors, and contracted employees are governed by this policy while on District premises, and they will not be permitted to conduct business if found to be in violation of this policy.

A safety-sensitive employee is defined as any employee having and using a Class "A" or Class "B" commercial driver's license. A safety-sensitive employee is considered to be performing a safety sensitive function during any period in which that employee is actually performing, ready to perform or immediately available to perform any safety-sensitive functions.

B. PROHIBITED SUBSTANCES

"Prohibited substances" addressed by this policy include the following:

Drugs:

Marijuana, amphetamines, opiates, phencyclidine (PCP) and cocaine.

Alcohol:

This use of beverages or substances, including any medication, containing alcohol such that it is present in the body at a level in excess of that stated in Department of Transportation guidelines while actually performing, ready to perform, or immediately available to perform any District business is prohibited. "Alcohol" is defined as: the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol, including methyl or isopropyl alcohol.

C. PROHIBITED CONDUCT

Manufacture, Trafficking, Possession, and Use

Any safety-sensitive employee engagement in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance or alcohol on District premises, in District vehicles or while conducting District business off the premises is absolutely prohibited. Violation will result in removal from safety-sensitive duty and referral to a Substance Abuse Professional (SAP), as well as potential disciplinary action.

Impaired/Not Fit for Duty

Any safety-sensitive employee who is reasonably suspected of being impaired, under the influence of a prohibited substance, or not fit for duty shall be removed from safety-sensitive job duties and be required to undergo a reasonable suspicion-controlled substance or alcohol test. Employees failing to pass this reasonable suspicion-controlled substance or alcohol test shall remain off duty and be referred to a Substance Abuse Professional (SAP). A controlled substance or alcohol test is considered positive (failed) if the individual is found to have a quantifiable presence of a prohibited substance in the body above the minimum thresholds defined in the Department of Transportation guidelines.

Alcohol Use

No safety-sensitive employee may report for duty or remain on duty when his/her ability to perform assigned functions is adversely affected by alcohol or when his/her breath alcohol concentration is 0.04 or greater. No safety-sensitive employee shall use alcohol while on duty or while performing safety-sensitive functions. No safety-sensitive employee shall consume alcohol within four hours of reporting for duty nor during hours that he/she is on call. Violation of this provision is prohibited and will subject the employee to removal from safety-sensitive duty and referral to a Substance Abuse Professional (SAP), as well as potential disciplinary action.

Compliance with Testing Requirements

All safety-sensitive employees are subject to controlled substance testing and breath alcohol testing. Any safety-sensitive employee who refuses to comply with a request for testing, who provides false information in connection with a test or who attempts to falsify test results through tampering, contamination, adulteration, or substitution shall be removed from duty immediately and be referred to a Substance Abuse Professional (SAP). Refusal to submit to a test can include an inability to provide a urine specimen or breath sample without a valid medical explanation, as well as a verbal declaration, obstructive behavior or physical absence resulting in the inability to conduct the test.

Treatment/Rehabilitation Program

An employee with a controlled substance and/or alcohol problem will be afforded an opportunity for treatment in accordance with the following provisions:

1. Positive Controlled Substance and/or Alcohol Test: A positive test subjects a safety-sensitive employee to discipline up to and including termination. However, a rehabilitation program with a Return-to-Work Agreement is available for safety-sensitive employees who have tested positive for a prohibited substance on one occasion or who receive a second verified positive test result more than five years after the first occurrence. Employees who receive a second verified positive test within five years of an initial verified positive test result will be terminated. The duration of any Return-to-Work Agreement shall be concurrent with any program recommended by a Substance Abuse Professional (SAP), and shall not exceed five

(5) years. Rehabilitation program costs and the cost of subsequent controlled substance and/or alcohol testing recommended by the SAP will be paid by the safety-sensitive employee (via employee's health insurance coverage, if available, or out-of-pocket). In addition, the District may require "on demand" testing during the period of a Return-to-Work Agreement at District expense and shall not exceed ten "on demand" tests per calendar year, unless recommended by the SAP. Participation in and completion of any rehabilitation program recommended by the SAP is mandatory for consideration of a Return-to-Work Agreement. Failure of a safety-sensitive employee to attend and/or complete a prescribed program or violation of the terms of a SAP Agreement, will result in termination from employment. Prior to return-to-duty testing, an employee must follow the rehabilitation program recommended by the SAP and agree to and sign a SAP Agreement. The duration and frequency of follow-up testing will be determined by the SAP but will not be shorter than one year or longer than five years.

2. Voluntary Admittance: All employees who feel they have a problem with controlled substances and/or alcohol may request leave for voluntary admission to a rehabilitation program administered by a SAP. Requests must be submitted to an Administrator or his/her designee for review. Program costs and subsequent controlled substance and/or alcohol testing costs will be paid by the safety-sensitive employee (via employee's health insurance coverage, if available, or out-of-pocket). An employee failing to complete the program as recommended by the SAP will be subject to removal from a safety sensitive position, which may include termination from employment. An employee completing a SAP recommended rehabilitation program must agree to and sign a SAP Agreement, pass a return-to-duty controlled substance and/or alcohol test and be subject to up to six (6) unannounced follow-up tests for 24 months following return to duty. A positive result on the return-to-duty test or on the unannounced follow-up tests within a 24 month period will result in termination from employment.

Employees who take leave to participate in a rehabilitation program may use accumulated sick leave, vacation, and compensatory time, if any. For those employees who are eligible, such leave will be designated as leave under applicable statutory medical leave programs (e.g. FMLA, CFRA, ADA/FEHA), and such leaves shall be provided pursuant those programs' requirements where applicable (e.g. benefit continuation, return-to-work certifications, etc.).

D. NOTIFYING THE DISTRICT OF CRIMINAL DRUG CONVICTION

Pursuant to the "Drug Free Workplace Act of 1988" any employee who fails to immediately notify the District of any criminal controlled substance statute conviction shall be subject to disciplinary action, up to and including termination of employment.

E. PROPER APPLICATION OF THE POLICY

The District is dedicated to assuring fair and equitable application of this Substance Abuse Policy. Therefore, supervisors are required to administer all aspects of the policy in an unbiased and impartial manner. Any supervisor who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy with respect to his/her subordinates shall be subject to disciplinary action, up to and including termination.

F. TESTING FOR PROHIBITED SUBSTANCES

Controlled substance and alcohol testing will be conducted as required under Department of Transportation guidelines. All safety-sensitive employees shall be subject to testing prior to employment, randomly, for reasonable suspicion, and following an accident, as defined in the Department of Transportation guidelines. In addition, all safety-sensitive employees will be tested prior to returning to duty after failing a controlled substance and/or alcohol test.

Employees who have returned to duty will be subject to unannounced follow-up tests, as 60

determined by a Substance Abuse Professional (SAP), and on-demand as part of any Return to Work Agreement, which shall not exceed five years duration. Safety-sensitive employees who perform safety-sensitive functions as defined in the Department of Transportation guidelines shall also be subject to testing on randomly selected, unannounced basis.

Testing shall be conducted in a manner to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities which have been approved by the Department of Health and Human Services (DHJ-IS). All testing will be conducted consistent with the procedures put forth in the Department of Transportation guidelines.

The controlled substances that will be tested for include marijuana, cocaine, opiates, amphetamines, and phencyclidine (PCP). California laws permitting various uses of marijuana have no bearing on these requirements or penalties, which arise out of federal law pertaining to employment in safety-sensitive positions. An initial controlled substance screen will be conducted on each specimen. For those specimens that are positive, a confirmatory Gas Chromatography/Mass Spectrometry (GC/MS) test will be performed. The test will be considered positive if the controlled substance levels present are above the minimum thresholds established in the Department of Transportation guidelines.

Tests for alcohol concentration will be conducted utilizing an approved Evidential Breath Testing device (EBT) operated by a trained Breath Alcohol Technician (BAT). If the initial test indicated an alcohol concentration of 0.02 or greater, a confirmation test will be performed to confirm the result of the initial test. An employee who has a confirmed alcohol concentration of 0.02 but less than 0.04 will be removed from his/her position for at least twenty-four hours unless a retest results in an alcohol concentration less than 0.02. An alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of Department of Transportation guidelines and this policy.

Any safety-sensitive employee who has a confirmed positive controlled substance or alcohol test will be removed from his/her position, informed of educational and rehabilitation program available, and evaluated by a Substance Abuse Professional (SAP).

The District affirms the need to protect individual dignity, privacy and confidentiality throughout the testing process.

Employees in safety-sensitive positions may be tested under any of the following circumstances:

Pre-Employment Testing

All applicants for safety-sensitive classifications shall undergo urine-controlled substance testing prior to employment in, or to assignment to, a safety-sensitive position. Receipt of a satisfactory test result is required prior to employment and failure of a controlled substance test will disqualify the applicant from further consideration for employment. Pre-Employment testing requirements will be conducted in compliance with current law.

Reasonable Suspicion Testing

All safety-sensitive employees will be subject to urine and/or breath testing when there is a reason to believe that controlled substances or alcohol use is adversely affecting job performance. A reasonable suspicion referral for testing will be made on the basis of documented objective, contemporaneous facts and circumstances concerning the appearance, behavior, speech, and body odors of the employee which are consistent with the effects of substance abuse.

The following may constitute reasonable cause to believe that an employee is under the influence of drugs or alcohol:

- 1) Incoherent, slurred speech;
- 2) Odor of alcohol on the breath;
- 3) Staggering gait, disorientation, or loss of balance;
- 4) Red and watery eyes, if not explained by environmental causes;
- 5) Paranoid or bizarre behavior;
- 6) Unexplained drowsiness
- 7) Occurrence of a serious or potentially serious accident.

Reasonable suspicion determinations will be made by a supervisor who is trained to detect the signs and symptoms of controlled substance and alcohol use and who reasonably concludes that an employee may be adversely affected or impaired in his/her work performance due to prohibited substance abuse or misuse.

Supervisors are required to document their observations and submit them to Human Resources or the General Manager (or designee) prior to transporting the employee to the collection site. Employees subject to a reasonable suspicion test shall be transported to the collection site by designated management personnel. When possible, a second supervisory employee will be present to confirm the reasonable suspicion observations.

Post-Accident Testing

Safety-sensitive employees will be required to undergo controlled substance and/or breath alcohol testing if they are involved in an accident with a District vehicle that results in a fatality. This includes all safety-sensitive employees who are on duty in the vehicles and any other whose performance could have contributed to the accident. In addition, a post-accident test will be conducted if an accident results in injuries requiring transportation to a medical treatment facility; or where one or more vehicles incurs disabling damage that requires towing from the site; or if the safety-sensitive employee receives a citation under State or local law for a moving traffic violation arising from the accident.

Following an accident, the safety-sensitive employee will be provided a ride to the testing site and tested as soon as possible, but not to exceed eight hours for alcohol and 32 hours for controlled substances. Any employee who leaves the scene of the accident without appropriate authorization prior to submission to controlled substance and alcohol testing will be considered to have refused the test and subject to termination. Post-accident testing of safety-sensitive employees will include not only the operation personnel, but any other covered employees whose performance could have contributed to the accident.

Random Testing

Employees working in safety-sensitive classifications will be subjected to randomly selected, unannounced testing. The random selection will be by a scientifically valid method. Each safety-sensitive employee will have an equal chance of being tested each time selections are made. Safety-sensitive employees will be tested either just before departure, or during duty, or just after the safety-sensitive employee has ceased performing his/her duty. Testing may occur any time the employee is performing duties for the District on a designated workday. Employee will not be called back to work just to be called in for a random test.

Return-to-Duty Testing

All safety-sensitive employees who previously tested positive on a controlled

substance or alcohol test must test negative and be evaluated and released to duty by the Substance Abuse Professional (SAP) before returning to duty. Employees will be required to undergo unannounced follow-up-controlled substance and/or alcohol breath testing following returning to duty. The duration and frequency will be determined by the SAP and the terms of any SAP Agreement and in any event no longer than five years following return to duty.

Employee Requested Testing (Split Sample)

Any safety-sensitive employee who questions the result of a required controlled substance test under Department of Transportation guidelines may request that an additional test be conducted. This additional test may be conducted at the same laboratory or at a different DHHS certified laboratory. The test must be conducted on the split sample that was provided at the same time as the original sample. All costs for such testing are to be paid by the employee unless the second test invalidates the original test. The method of collecting, storing, and testing the split sample will be consistent with the procedures set forth in the Department of Transportation guidelines. The safety-sensitive employee's request for a retest must be made to the MRO within 72 hours of notice of the initial test result. Requests after 72 hours will only be accepted if the delay was due to documentable facts that were beyond the control of the employee.

G. EMPLOYEE ASSESSMENT

Any safety-sensitive employee who tests positive for the presence of controlled substances or whose breath alcohol concentration is above the minimum thresholds set forth in the Department of Transportation guidelines will be assessed by a Substance Abuse Professional (SAP). An SAP is a licensed physician, psychologist, social worker, employee assistance professional, or addiction counselor with knowledge of and clinically experienced in the diagnosis and treatment of alcohol related disorders. The SAP will evaluate each employee to determine what assistance, if any, the employee needs in resolving problems associated with prohibited substance abuse or misuse. An employee who has tested positive for controlled substances or alcohol and who refuses to meet with the SAP for evaluation, or to participate in any rehabilitation recommended by the SAP, shall be subject to immediate termination.

If a safety-sensitive employee is returned to duty following rehabilitation, he/she must agree to and sign a SAP Agreement (and where applicable, a Return to Work Agreement), pass a return-to-duty controlled substance and/or alcohol test and be subject to unannounced follow-up tests for a period of one to five years, as determined by the SAP. The cost of any rehabilitation and subsequent controlled substance and/or alcohol testing recommended by the SAP is borne by the safety-sensitive employee, except as may be covered by the Employee's group health insurance, if available. Costs of additional District ordered "on demand" testing as part of a Return-to-Work Agreement shall be borne by the District. An Employee will be immediately terminated on the occurrence of a second verified positive test result within five years of an initial verified positive test result. Employees may use available protected leaves (e.g. FMLA, CFRA, ADA/FEHA) to participate in the prescribed rehabilitation program and may utilize accumulated sick leave, vacation and floating holidays, if any, as wage replacement during such leave. Employees who exhaust leave balances shall be placed on an approved leave of absence without pay.

H. CONTACT PERSON

Any questions regarding this policy should contact the following Human Resources representative:

Name: Human Resources
Address: Post Office Box 139, Tahoe Vista, CA 96148
Telephone: (530) 546-4212

I. FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION CLEARINGHOUSE RULES

The Clearinghouse rule requires FMCSA-regulated employers, medical review officers (MROs), substance abuse professionals (SAPs), third-party administrators and other service agents to report to the Clearinghouse information related to violations of FMCSA's drug and alcohol testing regulations by current and prospective employees. The following information will be reported to the Clearinghouse (by the District, MRO, SAP, or third party administrator/service agent) as required by law:

- A verified positive, adulterated or substituted drug test result;
- An alcohol confirmation test with a concentration of .04 or higher;
- A refusal to submit to a drug or alcohol test;
- The District's report of actual knowledge, as defined in 49 CFR 382.107;
- On-duty alcohol use, pursuant to 49 CFR 382.205;
- Pre-duty alcohol use, pursuant to 49 CFR 382.207;
- Alcohol use following an accident, pursuant to 49 CFR 382.209;
- Drug use, pursuant to 49 CFR 382.213;
- An SAPs report of the successful completion of the return-to-duty process;
- A negative return-to-duty test; and
- A report of completion of follow up testing.

The District will query the Clearinghouse for current and prospective employees' drug and alcohol program violations before permitting such employees to operate a commercial motor vehicle on public roads. The District will also annually query the Clearinghouse for each driver currently employed by the District.

J. DEFINITIONS

ACCIDENT - means an unintended happening or mishap where there is loss of human life (regardless of fault), bodily injury or significant property damage.

ALCOHOL - means the intoxicating agent in beverage alcohol, ethyl alcohol or other low molecular weight alcohol including methyl or isopropyl alcohol.

ALCOHOL CONCENTRATION - means the alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test under this regulation. For example, 0.02 means 0.02 grams of alcohol in 210 liters of expired deep lung air.

ALCOHOL USE - means consumption of any beverage, mixture, or preparation, including any medication containing ethyl alcohol. Since ingestion of a given amount of alcohol produces the same alcohol concentration in an individual whether the alcohol comes from a mixed drink or cough syrup, the Department of Transportation prohibits the use of any substance containing alcohol, such as prescription or over-the-counter medication or liquor-filled chocolates. Prescription medications containing alcohol may have a greater impairing affect due to the presence of other elements (e.g., antihistamines).

BREATH ALCOHOL TECHNICIAN (BAT) - means a person trained to proficiency in the operation of the Evidential Breath Testing (EBT) device that the technician is using in the alcohol testing procedures. EBT are the only qualified personnel to administer the EBT tests.

CHAIN OF CUSTODY - means the procedures to account for the integrity of each urine specimen by tracking its handling and storage from point of collection to final disposition.

COLLECTION SITE - means a place designated by the District where individuals present themselves for the purpose of providing a specimen of either urine and/or breath.

COMMERCIAL MOTOR VEHICLE - means a motor vehicle, or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle: (1) has a gross combination weight rating of 26,001 or more pounds inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds; or (2) has a gross vehicle weight rating of 26,001 or more pounds; or (3) is designed to transport 16 or more passengers, including the driver; or (4) is of any size and is used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act and which require the motor vehicle to be placarded under the Hazardous Materials Regulations.

CONFIRMATION TEST - for alcohol testing means a second test, following a screening test with a result of 0.02 or greater, that provides quantitative data of alcohol concentration. For controlled substances testing this means a second analytical procedure to identify the presence of a specific drug or metabolite which is independent, of the screen test and which uses a different technique and chemical principle from that of the screen test in order to ensure reliability and accuracy. (Gas chromatography/mass spectrometry (CGIMS) is the only authorized confirmation method of cocaine, marijuana, opiates, amphetamines, and phencyclidine.)

CONTROLLED SUBSTANCE (DRUG) TEST - A method of detecting and measuring the presence of alcohol and other controlled substances, whether legal or illegal, in a person's body. A controlled substance test may be either an initial test or confirmation test. An initial controlled substance test is designed to identify specimens having concentrations of a particular class of drug above a specified concentration level. It eliminates negative specimens from further consideration.

Controlled substances will be tested under the Department of Health and Human Services guidelines. **The primary (initial or screening) controlled substance test thresholds for a verified positive test result are those that are equal to or greater than:**

Alcohol	0.02	grams
Marijuana Metabolites	50	ng/ml
Cocaine Metabolites	300	ng/ml
Phencyclidine (PCP)	25	ng/ml
Opiates Metabolites (1)	2000	ng/ml

Amphetamines 1000 ng/ml

1.25 ng/ml if immunoassay

A confirmation drug testing is a second analytical procedure to detect the presence of a specific drug or its metabolite. The confirmation procedure is conducted independent of the initial test and uses a different technique and chemical principle in order to confirm reliability and accuracy. **The confirmatory controlled substance test thresholds for a verified positive test result are those that are equal to or greater than:**

Alcohol	0.04	grams
Marijuana Metabolites (THC) (1)	15	ng/ml
Cocaine Metabolites	150	ng/ml
Phencyclidine (PCP)	25	ng/ml
Opiates Metabolites	2000	ng/ml
Morphine	2000	ng/ml
Codeine	2000	ng/ml
6-Acetylmorphine (3)	10	ng/ml
Amphetamines	1000	ng/ml
Amphetamine	500	ng/ml
Methamphetamine (3)	500	ng/ml

1. Delta-9-tetrahydrocannabinol-9-carboxylic acid
2. Benzoylecgonine
3. Test for 6-Acetylmorphine when morphine concentration exceeds 2000 ng/ml
4. Specimen must also contain amphetamine at a concentration greater than or equal to 200 ng/ml

COVERED EMPLOYEE - means a person including a volunteer, applicant, or transferee, who performs a safety-sensitive function for the District.

DEPARTMENT OF TRANSPORTATION GUIDELINES - means the controlled substance and alcohol testing rules (49 CFR Part 199 (RSPA - Pipeline), Part 219 (FRA. Railroad), Part 382 (FHWA - Commercial Motor Vehicle), 654 (FTA - Mass Transit) and 14 CFR 61 (FAA - Aviation) et. al.) setting forth the procedures for controlled substance and alcohol testing (49 CFR Part 40) in all the transportation industries.

DISTRICT - means NORTH TAHOE PUBLIC UTILITY DISTRICT.

DISTRICT TIME - means any period of time in which the safety-sensitive employee is actually performing, ready to perform, or immediately available to perform any safety-sensitive functions.

DRIVER - means any person who operates a commercial motor vehicle. This includes full time, regularly employed drivers; casual, intermittent or occasional drivers; leased drivers and independent, owner-operator contractors who are either directly employed by or under lease to an employer or who operate a commercial motor vehicle at the direction of or with the consent of an employer. For the purposes of pre-employment/pre-duty testing only, the term driver includes a person applying to an employer to drive a commercial motor vehicle.

DRUG (CONTROLLED SUBSTANCE) METABOLITE - means the specific substance produced when the human body metabolizes (changes) a given drug (controlled substance) as it passes through the body and is excreted in urine.

EVIDENTIAL BREATH TESTING DEVICE (EBT) - means the device to be used for breath alcohol testing.

MEDICAL REVIEW OFFICER (MRO) - means a licensed physician responsible for analyzing laboratory results generated by an employer's controlled substance (drug) testing program. The MRO is knowledgeable about substance abuse disorders and has appropriate medical training to interpret and evaluate positive test results.

PERFORMING (SAFETY SENSITIVE FUNCTION) - means a safety-sensitive employee is considered to be performing a safety sensitive function and includes any period in which the safety-sensitive employee is actually performing, ready to perform, or immediately available to perform such functions.

POST-ACCIDENT ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted after accidents on employees whose performance could have contributed to the accident. For drivers this is determined by a citation for a moving traffic violation and for all fatal accidents even if the driver is not cited for a moving traffic violation. See Accident.

PRE-EMPLOYMENT CONTROLLED SUBSTANCE TESTING - conducted before applicants are hired or after an offer to hire, but before actually performing safety-sensitive functions for the first time. Also required when employees transfer to a safety sensitive-position.

PROHIBITED DRUGS (CONTROLLED SUBSTANCES) - means Marijuana, Cocaine, Opiates, Amphetamines, or Phencyclidine.

PROHIBITED SUBSTANCES - means and is synonymous to drug abuse and/or alcohol misuse or abuse.

RANDOM ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted on a random unannounced basis just before, during or just after performance of safety sensitive functions.

REASONABLE SUSPICION ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted when a trained supervisor observes behavior or appearance that is characteristic of alcohol misuse or controlled substance abuse.

REFUSE TO SUBMIT (TO AN ALCOHOL AND/OR CONTROLLED SUBSTANCE TEST) - means that a safety-sensitive employee fails to provide an adequate breath or urine sample for testing without a valid medical explanation after that safety-sensitive employee received notice of the requirement to be tested, or engages in conduct that clearly obstructs the testing process (i.e., verbal declarations, obstructive behavior or physical absence resulting in the inability to conduct the test.)

REHABILITATION - The total process of restoring an employee to satisfactory work performance through constructive confrontation, referral to the SAP and participation in SAP recommendations such as education, treatment and/or support groups to resolve personal, physical, emotional, or mental problems which contributed to job problems

RETURN-TO-DUTY AND FOLLOW-UP ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING –conducted when an individual who has violated the prohibited alcohol or controlled substance conduct standards returns to performing safety sensitive-duties. Follow-up tests are unannounced and at least 6 tests must be conducted in the first 24 months after an employee returns to duty. Follow-up testing may be extended for up to 60 months following return to duty upon the SAP recommendation.

RETURN TO WORK AGREEMENT – Means a written and signed agreement between the employer and the safety-sensitive employee which states the terms of testing following a return to work after a verified positive test for a controlled substance or alcohol and the consequences of a future positive test.

SAFETY-SENSITIVE EMPLOYEE (FUNCTION AND/OR POSITION) - An employee is considered to be performing a safety-sensitive function during any period in which that employee is actually performing, ready to perform, or immediately available to perform any safety-sensitive functions.

SAP AGREEMENT - means a document agreed to and signed by the employer, safety-sensitive employee and the Substance Abuse Professional that outlines the terms and conditions under which the safety-sensitive employee may return to duty after having had a verified positive controlled substance test result or an alcohol concentration of 0.04 or greater on an alcohol test.

SCREENING (INITIAL) TEST - In alcohol testing, it means an analytical procedure to determine whether a safety-sensitive employee may have a prohibited concentration of alcohol in their system. In controlled substance testing, it means an immunoassay screen to eliminate negative urine specimens from further consideration.

SUBSTANCE ABUSE PROFESSIONAL (SAP) - means a licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker (with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol- related disorders, the license alone does not authorize this), Certified Employee Assistance Professional (CEAP), or addiction counselor certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission (NAADAC) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substances-related disorders.

SUPERVISOR - means a person in authority who has had one hour of training on the signs and symptoms of alcohol abuse and an additional hour of training on the signs and symptoms of controlled substance abuse.

VEHICLE - means a bus, truck, van, automobile, rail car, trolley car, trolley bus, or vessel used for operations of the District.

K. PROCEDURES - REASONABLE SUSPICION TESTING

1. A safety-sensitive employee who may possibly be under the influence of alcohol and/or controlled substances is observed by a supervisor. When possible, a second supervisory employee will be present to confirm the reasonable suspicion observations.

Any employee may identify someone suspected of alcohol and/or controlled substance to any supervisor. Employees should realize, however, that it is against District policy to make false or malicious statements about other employees and doing so can result in disciplinary action being taken against the offending employee. However, the supervisor must witness first hand the safety-sensitive employee's signs and symptoms.

2. The supervisor is then obligated to insure that the matter is immediately investigated. If possible, two supervisors determine (independently or together) that the safety-sensitive employee in question may indeed be under the influence of alcohol and/or controlled substances.
3. When the supervisor(s) suspect and believe that the safety-sensitive employee may be under the influence of alcohol and/or controlled substances, the safety-sensitive employee is then immediately suspended from duty (with pay) and driven by District staff (or others designated) to the District specified collection site. Because of a testing facility requirement, the safety-sensitive employee in question must show proof of identification, such as a photo driver's license or state-issued photo identification card. Whenever practical, an Administrator should be notified in advance of the employee being taken to the collection site.
4. At the collection site, the safety-sensitive employee will be required to submit a urine sample in the event that controlled substances are suspected or a breath sample in the event that alcohol intoxication is suspected to the on-duty technician. Care will be taken to provide the safety-sensitive employee with maximum privacy without compromising the integrity of the sample.
5. The District will take precautions to prevent the safety-sensitive employee being tested from going back to work and driving their own car home. Instead, the safety-sensitive employee will be given assistance in obtaining a ride home from the collection site.
6. The safety-sensitive employee whose test results are negative (less than 0.02 alcohol concentration) will be reinstated. The safety-sensitive employee, whose confirmation test results indicate an alcohol concentration greater than 0.02 but less than 0.04, will not be permitted to return to duty or perform a safety-sensitive function for 24 hours after administration of the test. The safety-sensitive employee whose confirmation test result indicates an alcohol concentration of 0.04 or greater for alcohol will be referred to a District specified outside Substance Abuse Professional (SAP) who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.
7. The safety-sensitive employee whose controlled substance test results are verified negative will be reinstated. The safety-sensitive employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside Substance Abuse Professional who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.

L. PROCEDURES - RANDOM TESTING

1. The compliance company notifies the supervisor to send the safety-sensitive employee to the collection site for alcohol and/or controlled substance testing.
2. The supervisor notifies the safety-sensitive employee to go to the collection site for alcohol and/or controlled substance testing immediately. Because of a testing facility requirement, the safety-sensitive employee in question must have proof of identification, such as a photo driver's license or state-issued photo identification card.
3. At the collection site, the safety-sensitive employee will be required to submit a urine sample in the event that controlled substances are to be tested for, or a breath sample in the event that alcohol is being tested for to the on-duty technician. Care will be taken to provide the safety-sensitive employee with maximum privacy without compromising the integrity of the sample.
4. The safety-sensitive employee whose test results are negative (less than 0.02 alcohol concentration) will be reinstated. The safety-sensitive employee, whose confirmation test results indicate an alcohol concentration greater than 0.02 but less than 0.04, will not be permitted to return to duty or perform a safety-sensitive function for 24 hours after administration of the test. The safety-sensitive employee whose confirmation test result indicates an alcohol concentration of 0.04 or greater for alcohol will be referred to a District specified outside Substance Abuse Professional (SAP) who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.
5. The safety-sensitive employee whose controlled substance test results are verified negative will be reinstated. The safety-sensitive employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside Substance Abuse Professional who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.

M. PROCEDURES - POST ACCIDENT

1. The safety-sensitive employee notifies a supervisor that an accident has occurred.
2. The supervisor determines that the circumstances of the accident warrant a post-accident test when a citation was issued or a fatality occurred. Thereafter, the supervisor will provide a ride to the testing site and directs the safety-sensitive employee to immediately go to the collection site for alcohol and controlled substance testing. Because of a testing facility requirement, the safety-sensitive employee in question must have proof of identification, such as a photo driver's license or state-issued photo identification card.
3. At the collection site, the safety-sensitive employee will be required to submit a urine sample for controlled substances and a breath sample for alcohol testing to the on-duty technician. Care will be taken to provide the safety-sensitive employee with maximum privacy without compromising the integrity of the sample.

4. An Administrator will be notified that an accident has occurred and that the safety-sensitive employee was instructed to go to the collection site.
5. The safety-sensitive employee whose test results are negative (less than 0.02 alcohol concentration) will be reinstated. The safety-sensitive employee, whose confirmation test results indicate an alcohol concentration greater than 0.02 but less than 0.04, will not be permitted to return to duty or perform a safety-sensitive function for 24 hours after administration of the test. The safety-sensitive employee whose confirmation test result indicates an alcohol concentration of 0.04 or greater for alcohol will be referred to a District specified outside Substance Abuse Professional (SAP) who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.
6. The safety-sensitive employee whose controlled substance test results are verified negative will be reinstated. The safety-sensitive employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside Substance Abuse Professional who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.

N. PROCEDURES - RETURN-TO-DUTY and FOLLOW-UP

1. The compliance company notifies the District to send the safety-sensitive employee to the collection site for alcohol and controlled substance testing.
2. The supervisor notifies the safety-sensitive employee to immediately go to the collection site for alcohol and controlled substance testing. Because of a testing facility requirement, the safety-sensitive employee in question must have proof of identification, such as a photo driver's license or state-issued photo identification card.
3. At the collection site, the safety-sensitive employee will be required to submit a urine sample for controlled substances and a breath sample for alcohol testing to the on-duty technician. Care will be taken to provide the safety-sensitive employee with maximum privacy without compromising the integrity of the sample.
4. The safety-sensitive employee whose confirmation test results indicate an alcohol concentration greater than 0.02 or whose controlled substance test is verified positive will be terminated.

O. PROCEDURES - CHAIN OF CUSTODY FOR CONTROLLED SUBSTANCE SPECIMENS

1. At the time a specimen is collected, the safety-sensitive employee will be given a copy of the specimen collection procedures.
2. Urine will be in a wide-mouthed clinic specimen container which will remain in full view of the safety-sensitive employee until split, transferred to, sealed and initialed in two tamper-resistant urine bottles.
3. Immediately after the specimens are collected, the urine bottles will, in the presence of the safety-sensitive employee, be labeled and then initialed by the employee. If the sample must be collected at the site other than the controlled substance and/or alcohol

testing laboratory, the specimens will then be placed in the transportation container. The container will be sealed in the safety-sensitive employee's presence and the safety-sensitive employee will be asked to initial or sign the container. The container will be sent to the designated testing laboratory on that day or the earliest business day by the fastest available method.

4. A chain of custody form will be completed by the on-duty technician during the specimen collection process and attached to and mailed with the specimen.

P. PROCEDURES - SPECIMEN COLLECTION OF STRANGE AND/OR UNRECOGNIZABLE SUBSTANCES

1. A safety-sensitive employee is observed with a strange and/or unrecognizable substance.
2. The supervisor, in the presence of a witness, places the strange and/or unrecognizable substance into a clear plastic bag. The bag is sealed, labeled and signed by both the supervisor and a witness.
3. An incident report is made and signed by both the supervisor and a witness.
4. The plastic bag containing the specimen, and a copy of the incident report is taken to the collection site for transportation to the laboratory for analysis.

Q. PROCEDURES - ALCOHOL CONCENTRATION

1. The safety-sensitive employee and the on-duty Breath Alcohol Technician (BAT) complete the alcohol testing form to ensure that the results are properly recorded
2. After an explanation of how the breathalyzer works, an initial breath sample is taken
3. If the results of the initial test show an alcohol concentration of 0.02 or greater a second or confirmation test must be conducted. The confirmation test must not be conducted less than 15 minutes after, or more than 20 minutes after the screening test.
4. The confirmation test will utilize an Evidential Breath Testing device that prints out the results, date and time, a sequential test number, and the name and serial number of the Evidential Breath Testing device to ensure the reliability of the results.

APPENDIX C SUBSTANCE ABUSE POLICY (SAFETY SENSITIVE)

As with any District policy, NORTH TAHOE PUBLIC UTILITY DISTRICT reserves the right to change, alter, amend, and interpret this policy without notice.

The purpose of this policy is to assure worker fitness for duty and to protect our employees and the public from risks posed by the use of alcohol and controlled substances. This policy is also intended to comply with all applicable Federal regulations governing workplace anti-drug programs in the transportation industry. The Federal Highway Administration (FFIWA) of the Department of Transportation has enacted 49 CFR Part 382 that mandate urine drug testing and breathalyzer alcohol testing for safety-sensitive positions and prevents performance of safety-sensitive functions when there is a positive test result. The Department of Transportation has also enacted 49 CFR Part 40 that sets standards for the collection and testing of urine and breath specimens. In addition, the Department of Transportation has enacted 49 CFR Part 29, "The Drug-Free Workplace Act of 1988," which requires the establishment of drug free workplace policies and the reporting of certain drug-related offenses to the Department of Transportation. The policy incorporates those requirements of safety-sensitive employees and others when so noted.

NORTH TAHOE PUBLIC UTILITY DISTRICT recognizes that the use of alcohol and/or controlled substances in the workplace is not conducive to safe working conditions. In order to promote a safe, healthy and productive work environment for all employees, it is the objective of the District to have a work force that is free from the influence of alcohol and controlled substances.

A. APPLICABILITY

This policy applies to all safety-sensitive employees and contractors when they are on District property or when performing any District related business. It applies to off-site lunch periods and breaks when a safety-sensitive employee is scheduled to return to work. Visitors, vendors, and contracted employees are governed by this policy while on District premises, and they will not be permitted to conduct business if found to be in violation of this policy.

A safety-sensitive employee is defined as any employee having and using a Class "A" or Class "B" commercial driver's license. A safety-sensitive employee is considered to be performing a safety sensitive function during any period in which that employee is actually performing, ready to perform or immediately available to perform any safety-sensitive functions.

B. PROHIBITED SUBSTANCES

"Prohibited substances" addressed by this policy include the following:

Drugs:

Marijuana, amphetamines, opiates, phencyclidine (PCP) and cocaine.

Alcohol:

This use of beverages or substances, including any medication, containing alcohol such that it is present in the body at a level in excess of that stated in Department of Transportation guidelines while actually performing, ready to perform, or immediately available to perform any District business is prohibited. "Alcohol" is defined as: the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol, including methyl or isopropyl alcohol.

C. PROHIBITED CONDUCT

Manufacture, Trafficking, Possession, and Use

Any safety-sensitive employee engagement in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance or alcohol on District premises, in District vehicles or while conducting District business off the premises is absolutely prohibited. Violation will result in removal from safety-sensitive duty and referral to a Substance Abuse Professional (SAP).

Impaired/Not Fit for Duty

Any safety-sensitive employee who is reasonably suspected of being impaired, under the influence of a prohibited substance, or not fit for duty shall be removed from safety-sensitive job duties and be required to undergo a reasonable suspicion controlled substance or alcohol test. Employees failing to pass this reasonable suspicion controlled substance or alcohol test shall remain off duty and be referred to a Substance Abuse Professional (SAP). A controlled substance or alcohol test is considered positive (failed) if the individual is found to have a quantifiable presence of a prohibited substance in the body above the minimum thresholds defined in the Department of Transportation guidelines.

Alcohol Use

No safety-sensitive employee may report for duty or remain on duty when his/her ability to perform assigned functions is adversely affected by alcohol or when his/her breath alcohol concentration is 0.04 or greater. No safety-sensitive employee shall use alcohol while on duty or while performing safety-sensitive functions. No safety-sensitive employee shall use alcohol within four hours of reporting for duty nor during hours that he/she is on call. Violation of this provision is prohibited and will subject the employee to removal from safety-sensitive duty and referral to a Substance Abuse Professional (SAP).

Compliance with Testing Requirements

All safety-sensitive employees are subject to controlled substance testing and breathe alcohol testing. Any safety-sensitive employee who refuses to comply with a request for testing, who provides false information in connection with a test or who attempts to falsify test results through tampering, contamination, adulteration, or substitution shall be removed from duty immediately and be referred to a Substance Abuse Professional (SAP). Refusal to submit to a test can include an inability to provide a urine specimen or breath sample without a valid medical explanation, as well as a verbal declaration, obstructive behavior or physical absence resulting in the inability to conduct the test.

Treatment/Rehabilitation Program

An employee with a controlled substance and/or alcohol problem will be afforded an opportunity for treatment in accordance with the following provisions:

Positive Controlled Substance and/or Alcohol Test: A rehabilitation Program is available for safety-sensitive employees who have tested positive for a prohibited substance on a one time basis only. Employee will be immediately terminated on the occurrence of a second verified positive test result. Program costs and subsequent controlled substance and/or alcohol testing costs will be paid by the safety-sensitive employee. When recommended by the Substance Abuse Professional (SAP), participation and completion of the rehabilitation program is mandatory. Failure of a safety-sensitive employee to attend and/or complete a prescribed program will result in termination from employment. Prior to return-to-duty testing, an employee must follow the rehabilitation program recommended by the SAP and agree to and sign a Return-To- Duty Agreement. The duration and frequency of follow-up testing will be determined by the SAP but will not be shorter than one year or longer than five years.

Voluntary Admittance: All employees who feel they have a problem with controlled substances and/or alcohol may request voluntary admission to a rehabilitation program. Requests must be submitted to an Administrator or his/her designee for review. Program costs and subsequent controlled substance and/or alcohol testing costs will be paid by the safety-sensitive employee. An employee failing to complete the program will be subject to termination from employment. An employee completing a rehabilitation program must agree to and sign a Return-To-Duty Agreement, pass a return-to-duty controlled substance and/or alcohol test and be subject to unannounced follow-up testing for 36 months following return to duty. A positive result on the return-to-duty test or on the unannounced follow-up tests within a 36 month period will result in termination from employment.

Participants in the rehabilitation program may use accumulated sick leave, vacation and compensatory time, if any.

D. NOTIFYING THE DISTRICT OF CRIMINAL DRUG CONVICTION

Pursuant to the "Drug Free Workplace Act of 1988" any employee who fails to immediately notify the District of any criminal controlled substance statute conviction shall be subject to disciplinary action, up to and including termination of employment.

E. PROPER APPLICATION OF THE POLICY

The District is dedicated to assuring fair and equitable application of this Substance Abuse Policy. Therefore, supervisors are required to administer all aspects of the policy in an unbiased and impartial manner. Any supervisor who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy with respect to his/her subordinates shall be subject to disciplinary action, up to and including termination.

F. TESTING FOR PROHIBITED SUBSTANCES

Analytical urine controlled substance testing and breath testing for alcohol will be conducted as required under Department of Transportation guidelines. All safety-sensitive employees shall be subject to testing prior to employment, randomly, for reasonable suspicion, and following an accident, as defined in the Department of Transportation guidelines. In addition, all safety-sensitive employees will be tested prior to returning to duty after failing a controlled substance and/or alcohol test. Employees who have returned to duty will be subject to unannounced follow-up tests for up to five years, as determined by a Substance Abuse Professional (SAP). Safety-sensitive employees who perform safety-sensitive functions as defined in the Department of Transportation guidelines shall also be subject to testing on randomly selected, unannounced basis.

Testing shall be conducted in a manner to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities which have been approved by the Department of Health and Human Services (DHJ-IS). All testing will be conducted consistent with the procedures put forth in the Department of Transportation guidelines.

The controlled substances that will be tested for include marijuana, cocaine, opiates, amphetamines, and phencyclidine (PCP). An initial controlled substance screen will be conducted on each specimen. For those specimens that are positive, a confirmatory Gas Chromatography/Mass Spectrometry (GC/MS) test will be performed. The test will be considered positive if the controlled substance levels present are above the minimum thresholds established in the Department of Transportation guidelines.

Tests for alcohol concentration will be conducted utilizing an approved Evidential Breath Testing device (EBT) operated by a trained Breath Alcohol Technician (BAT). If the initial test indicated an alcohol concentration of 0.02 or greater, a confirmation test will be performed to confirm the result of the initial test. An employee who has a confirmed alcohol concentration of 0.02 but less than 0.04 will be removed from his/her position for at least twenty-four hours unless a retest results in an alcohol concentration less than 0.02. An alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of Department of Transportation guidelines and this policy.

Any safety-sensitive employee who has a confirmed positive controlled substance or alcohol test will be removed from his/her position, informed of educational and rehabilitation program available, and evaluated by a Substance Abuse Professional (SAP).

The District affirms the need to protect individual dignity, privacy and confidentiality throughout the testing process.

Employees in safety-sensitive positions may be tested under any of the following circumstances:

Pre-Employment Testing

All applicants for safety-sensitive classifications shall undergo urine controlled substance testing prior to employment. Receipt of a satisfactory test result is required prior to employment and failure of a controlled substance test will disqualify the applicant from further consideration for employment. Pre-Employment testing requirements will be conducted in compliance with current law.

Reasonable Suspicion Testing

All safety-sensitive employees will be subject to urine and/or breath testing when there is a reason to believe that controlled substances or alcohol use is adversely affecting job performance. A reasonable suspicion referral for testing will be made on the basis of documented objective facts and circumstances which are consistent with the effects of substance abuse. Examples of reasonable suspicion include, but are not limited to, the following:

- a. Adequate documentation of unsatisfactory work performance or on-the-job behavior.
- b. Physical signs and symptoms consistent with prohibited substance use.

- c. Occurrence of a serious or potentially serious accident that may have been caused by human error.
- d. Fights (to mean physical contact), assaults and flagrant disregard or violations of established safety, security, or other operation procedures.

Reasonable suspicion determinations will be made by a supervisor who is trained to detect the signs and symptoms of controlled substance and alcohol use and who reasonably concludes that an employee may be adversely affected or impaired in his/her work performance due to prohibited substance abuse or misuse.

Post-Accident Testing

Safety-sensitive employees will be required to undergo controlled substance and/or breath alcohol testing if they are involved in an accident with a District vehicle that results in a fatality. This includes all safety-sensitive employees who are on duty in the vehicles and any other whose performance could have contributed to the accident. In addition, a post-accident test will be conducted if an accident results in injuries requiring transportation to a medical treatment facility; or where one or more vehicles incurs disabling damage that requires towing from the site; and the safety-sensitive employee receives a citation under State or local law for a moving traffic violation arising from the accident.

Following an accident, the safety-sensitive employee will be tested as soon as possible, but not to exceed eight hours for alcohol and 32 hours for controlled substances. Any employee who leaves the scene of the accident without appropriate authorization prior to submission to controlled substance and alcohol testing will be considered to have refused the test and subject to termination. Post-accident testing of safety-sensitive employees will include not only the operation personnel, but any other covered employees whose performance could have contributed to the accident.

Random Testing

Employees working in safety-sensitive classifications will be subjected to randomly selected, unannounced testing. The random selection will be by a scientifically valid method. Each safety-sensitive employee will have an equal chance of being tested each time selections are made. Safety-sensitive employees will be tested either just before departure, or during duty, or just after the safety-sensitive employee has ceased performing his/her duty.

Return-to-Duty Testing

All safety-sensitive employees who previously tested positive on a controlled substance or alcohol test must test negative and be evaluated and released to duty by the Substance Abuse Professional (SAP) before returning to duty. Employees will be required to undergo unannounced follow-up controlled substance and/or alcohol breath testing following returning to duty. The duration and frequency will be determined by the SAP. However, it shall not be less than 6 tests during the first 12 months, nor longer than 60 months in total, following return to duty.

Employee Requested Testing

Any safety-sensitive employee who questions the result of a required controlled substance test under Department of Transportation guidelines may request that an additional test be conducted. This additional test may be conducted at the same laboratory or at a different DHHS certified laboratory. The test must be conducted on the split sample that was provided at the same time as the original sample. All costs for such testing are to be paid by the employee

unless the second test invalidates the original test. The method of collecting, storing, and testing the split sample will be consistent with the procedures set forth in the Department of Transportation guidelines. The safety-sensitive employee's request for a retest must be made to the MRO within 72 hours of notice of the initial test result. Requests after 72 hours will only be accepted if the delay was due to documentable facts that were beyond the control of the employee.

G. EMPLOYEE ASSESSMENT

Any safety-sensitive employee who tests positive for the presence of controlled substances or whose breath alcohol concentration is above the minimum thresholds set forth in the Department of Transportation guidelines will be assessed by a Substance Abuse Professional (SAP). A SAP is a licensed physician, psychologist, social worker, employee assistance professional, or addiction counselor with knowledge of and clinically experienced in the diagnosis and treatment of alcohol related disorders. The SAP will evaluate each employee to determine what assistance, if any, the employee needs in resolving problems associated with prohibited substance abuse or misuse.

If a safety-sensitive employee is returned to duty following rehabilitation, he/she must agree to and sign a Return-To-Duty Agreement, pass a return-to-duty controlled substance and/or alcohol test and be subject to unannounced follow-up tests for a period of one to five years, as determined by the SAP. The cost of any rehabilitation and subsequent controlled substance and/or alcohol testing is borne by the safety-sensitive employee and is on a one time basis only. Employee will be immediately terminated on the occurrence of a second verified positive test result. Employees may use accumulated sick leave, vacation and floating holidays, if any, to participate in the prescribed rehabilitation program.

H. CONTACT PERSON

Any questions regarding this policy should contact the following Human Resources representative:

Name: Human Resources Manager
Address: Post Office Box 139, Tahoe Vista, CA 96148
Telephone: (530) 546-4212

I. DEFINITIONS

ACCIDENT - means an unintended happening or mishap where there is loss of human life (regardless of fault), bodily injury or significant property damage.

ALCOHOL - means the intoxicating agent in beverage alcohol, ethyl alcohol or other low molecular weight alcohol including methyl or isopropyl alcohol.

ALCOHOL CONCENTRATION - means the alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test under this regulation. For example, 0.02 means 0.02 grams of alcohol in 210 liters of expired deep lung air.

ALCOHOL USE - means consumption of any beverage, mixture, or preparation, including any medication containing ethyl alcohol. Since ingestion of a given amount of alcohol produces the same alcohol concentration in an individual whether the alcohol comes from a mixed drink or cough syrup, the Department of Transportation prohibits the use of any substance containing alcohol, such as prescription or over-the-counter medication or liquor-filled chocolates. Prescription medications containing alcohol may have a greater impairing affect due to the presence of other elements (e.g., antihistamines).

BREATH ALCOHOL TECHNICIAN (BAT) - means a person trained to proficiency in the operation of the Evidential Breath Testing (EBT) device that the technician is using in the alcohol testing procedures. EBT are the only qualified personnel to administer the EBT tests.

CHAIN OF CUSTODY - means the procedures to account for the integrity of each urine specimen by tracking its handling and storage from point of collection to final disposition.

COLLECTION SITE - means a place designated by the District where individuals present themselves for the purpose of providing a specimen of either urine and/or breath.

COMMERCIAL MOTOR VEHICLE - means a motor vehicle, or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle: (1) has a gross combination weight rating of 26,001 or more pounds inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds; or (2) has a gross vehicle weight rating of 26,001 or more pounds; or (3) is designed to transport 16 or more passengers, including the driver; or (4) is of any size and is used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act and which require the motor vehicle to be placarded under the Hazardous Materials Regulations.

CONFIRMATION TEST - for alcohol testing means a second test, following a screening test with a result of 0.02 or greater, that provides quantitative data of alcohol concentration. For controlled substances testing this means a second analytical procedure to identify the presence of a specific drug or metabolite which is independent, of the screen test and which uses a different technique and chemical principle from that of the screen test in order to ensure reliability and accuracy. (Gas chromatography/mass spectrometry (CGIMS) is the only authorized confirmation method of cocaine, marijuana, opiates, amphetamines, and phencyclidine.)

CONTROLLED SUBSTANCE (DRUG) TEST - A method of detecting and measuring the presence of alcohol and other controlled substances, whether legal or illegal, in a person's body. A controlled substance test may be either an initial test or confirmation test. An initial controlled substance test is designed to identify specimens having concentrations of a particular class of drug above a specified concentration level. It eliminates negative specimens from further consideration.

Controlled substances will be tested under the Department of Health and Human Services guidelines. **The primary (initial or screening) controlled substance test thresholds for a verified positive test result are those that are equal to or greater than:**

Alcohol	0.02	grams
Marijuana Metabolites	50	ng/ml
Cocaine Metabolites	300	ng/ml
Phencyclidine (PCP)	25	ng/ml
Opiates Metabolites (1)	2000	ng/ml
Amphetamines	1000	ng/ml
	1.25 ng/ml if immunoassay	

A confirmation drug testing is a second analytical procedure to detect the presence of a specific drug or its metabolite. The confirmation procedure is conducted independent of the initial test and uses a different technique and chemical principle in order to confirm reliability and accuracy. **The confirmatory controlled substance test thresholds for a verified positive test result are those that are equal to or greater than:**

Alcohol	0.04	grams
Marijuana Metabolites (THC) (1)	15	ng/ml
Cocaine Metabolites	150	ng/ml
Phencyclidine (PCP)	25	ng/ml
Opiates Metabolites	2000	ng/ml
Morphine	2000	ng/ml
Codeine	2000	ng/ml
6-Acetylmorphine (3)	10	ng/ml
Amphetamines	1000	ng/ml
Amphetamine	500	ng/ml
Methamphetamine (3)	500	ng/ml

1. Delta-9-tetrahydrocannabinol-9-carboxylic acid
2. Benzoyllecgonine
3. Test for 6-Acetylmorphine when morphine concentration exceeds 2000 ng/ml
4. Specimen must also contain amphetamine at a concentration greater than or equal to 200 ng/ml

COVERED EMPLOYEE - means a person including a volunteer, applicant, or transferee, who performs a safety-sensitive function for the District.

DEPARTMENT OF TRANSPORTATION GUIDELINES - means the controlled substance and alcohol testing rules (49 CFR Part 199 (RSPA - Pipeline), Part 219 (FRA. Railroad), Part 382 (FHWA - Commercial Motor Vehicle), 654 (FTA - Mass Transit) and 14 CFR 61 (FAA - Aviation) et. al.) setting forth the procedures for controlled substance and alcohol testing (49 CFR Part 40) in all the transportation industries.

DISTRICT - means NORTH TAHOE PUBLIC UTILITY DISTRICT.

DISTRICT TIME - means any period of time in which the safety-sensitive employee is actually performing, ready to perform, or immediately available to perform any safety-sensitive functions.

DRIVER - means any person who operates a commercial motor vehicle. This includes full time, regularly employed drivers; casual, intermittent or occasional drivers; leased drivers and independent, owner-operator contractors who are either directly employed by or under lease to an employer or who operate a commercial motor vehicle at the direction of or with the consent of an employer. For the purposes of pre-employment/pre-duty testing only, the term driver includes a person applying to an employer to drive a commercial motor vehicle.

DRUG (CONTROLLED SUBSTANCE) METABOLITE - means the specific substance produced when the human body metabolizes (changes) a given drug (controlled substance) as it passes through the body and is excreted in urine.

EVIDENTIAL BREATH TESTING DEVICE (EBT) - means the device to be used for breath alcohol testing.

MEDICAL REVIEW OFFICER (MRO) - means a licensed physician responsible for analyzing laboratory results generated by an employer's controlled substance (drug) testing program. The MRO is knowledgeable about substance abuse disorders and has appropriate medical training to interpret and evaluate positive test results.

PERFORMING (SAFETY SENSITIVE FUNCTION) - means a safety-sensitive employee is considered to be performing a safety sensitive function and includes any period in which the safety-sensitive employee is actually performing, ready to perform, or immediately available to perform such functions.

POST-ACCIDENT ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted after accidents on employees whose performance could have contributed to the accident. For drivers this is determined by a citation for a moving traffic violation and for all fatal accidents even if the driver is not cited for a moving traffic violation. See Accident.

PRE-EMPLOYMENT CONTROLLED SUBSTANCE TESTING - conducted before applicants are hired or after an offer to hire, but before actually performing safety-sensitive functions for the first time. Also required when employees transfer to a safety sensitive-position.

PROHIBITED DRUGS (CONTROLLED SUBSTANCES) - means Marijuana, Cocaine, Opiates, Amphetamines, or Phencyclidine.

PROHIBITED SUBSTANCES - means and is synonymous to drug abuse and/or alcohol misuse or abuse.

RANDOM ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted on a random unannounced basis just before, during or just after performance of safety sensitive functions.

REASONABLE SUSPICION ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted when a trained supervisor observes behavior or appearance that is characteristic of alcohol misuse or controlled substance abuse.

REFUSE TO SUBMIT (TO AN ALCOHOL AND/OR CONTROLLED SUBSTANCE TEST) - means that a safety-sensitive employee fails to provide an adequate breath or urine sample for testing without a valid medical explanation after that safety-sensitive employee received notice of the requirement to be tested, or engages in conduct that clearly obstructs the testing process (i.e., verbal declarations, obstructive behavior or physical absence resulting in the inability to conduct the test.)

REHABILITATION - The total process of restoring an employee to satisfactory work performance through constructive confrontation, referral to the SAP and participation in SAP recommendations such as education, treatment and/or support groups to resolve personal, physical, emotional, or mental problems which contributed to job problems.

RETURN-TO-DUTY AND FOLLOW-UP ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING –

conducted when an individual who has violated the prohibited alcohol or controlled substance conduct standards returns to performing safety sensitive-duties. Follow-up tests are unannounced and at least 6 tests must be conducted in the first 12 months after an employee returns to duty. Follow-up testing may be extended for up to 60 months following return to duty upon the SAP recommendation.

RETURN-TO-DUTY AGREEMENT - means a document agreed to and signed by the employer, safety-sensitive employee and the Substance Abuse Professional that outlines the terms and conditions under which the safety-sensitive employee may return to duty after having had a verified positive controlled substance test result or an alcohol concentration of 0.04 or greater on an alcohol test.

SAFETY-SENSITIVE EMPLOYEE (FUNCTION AND/OR POSITION) - An employee is considered to be performing a safety-sensitive function during any period in which that employee is actually performing, ready to perform, or immediately available to perform any safety-sensitive functions.

SCREENING (INITIAL) TEST - In alcohol testing, it means an analytical procedure to determine whether a safety-sensitive employee may have a prohibited concentration of alcohol in their system. In controlled substance testing, it means an immunoassay screen to eliminate negative urine specimens from further consideration.

SUBSTANCE ABUSE PROFESSIONAL (SAP) - means a licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker (with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol- related disorders, the license alone does not authorize this), Certified Employee Assistance Professional (CEAP), or addiction counselor certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission (NAADAC) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substances-related disorders.

SUPERVISOR - means a person in authority who has had one hour of training on the signs and symptoms of alcohol abuse and an additional hour of training on the signs and symptoms of controlled substance abuse.

VEHICLE - means a bus, truck, van, automobile, rail car, trolley car, trolley bus, or vessel used for operations of the District.

J. PROCEDURES - REASONABLE SUSPICION TESTING

1. A safety-sensitive employee who may possibly be under the influence of alcohol and/or controlled substances is observed by a supervisor.
Any employee may identify someone suspected of alcohol and/or controlled substance to any supervisor. Employees should realize, however, that it is against District policy to make false or malicious statements about other employees and doing so can result in disciplinary action being taken against the offending employee. However, the supervisor must witness first hand the safety-sensitive employee's signs and symptoms.

2. The supervisor is then obligated to insure that the matter is immediately investigated. If possible, two supervisors determine (independently or together) that the safety-sensitive employee in question may indeed be under the influence of alcohol and/or controlled substances.
3. When the supervisor(s) suspect and believe that the safety-sensitive employee may be under the influence of alcohol and/or controlled substances, the safety-sensitive employee is then immediately suspended from duty (with pay) and driven by District staff (or others designated) to the District specified collection site. Because of a testing facility requirement, the safety-sensitive employee in question must show proof of identification, such as a photo driver's license or state-issued photo identification card. Whenever practical, an Administrator should be notified in advance of the employee being taken to the collection site.
4. At the collection site, the safety-sensitive employee will be required to submit a urine sample in the event that controlled substances are suspected or a breath sample in the event that alcohol intoxication is suspected to the on-duty technician. Care will be taken to provide the safety-sensitive employee with maximum privacy without compromising the integrity of the sample.
5. The District will take precautions to prevent the safety-sensitive employee being tested from going back to work and driving their own car home. Instead, the safety-sensitive employee will be given assistance in obtaining a ride home from the collection site.
6. The safety-sensitive employee whose test results are negative (less than 0.02 alcohol concentration) will be reinstated. The safety-sensitive employee, whose confirmation test results indicate an alcohol concentration greater than 0.02 but less than 0.04, will not be permitted to return to duty or perform a safety-sensitive function for 24 hours after administration of the test. The safety-sensitive employee whose confirmation test result indicates an alcohol concentration of 0.04 or greater for alcohol will be referred to a District specified outside Substance Abuse Professional (SAP) who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.
7. The safety-sensitive employee whose controlled substance test results are verified negative will be reinstated. The safety-sensitive employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside Substance Abuse Professional who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.

K. PROCEDURES - RANDOM TESTING

1. The compliance company notifies the supervisor to send the safety-sensitive employee to the collection site for alcohol and/or controlled substance testing.

2. The supervisor notifies the safety-sensitive employee to go to the collection site for alcohol and/or controlled substance testing immediately. Because of a testing facility requirement, the safety-sensitive employee in question must have proof of identification, such as a photo driver's license or state-issued photo identification card.
3. At the collection site, the safety-sensitive employee will be required to submit a urine sample in the event that controlled substances are to be tested for, or a breath sample in the event that alcohol is being tested for to the on-duty technician. Care will be taken to provide the safety-sensitive employee with maximum privacy without compromising the integrity of the sample.
4. The safety-sensitive employee whose test results are negative (less than 0.02 alcohol concentration) will be reinstated. The safety-sensitive employee, whose confirmation test results indicate an alcohol concentration greater than 0.02 but less than 0.04, will not be permitted to return to duty or perform a safety-sensitive function for 24 hours after administration of the test. The safety-sensitive employee whose confirmation test result indicates an alcohol concentration of 0.04 or greater for alcohol will be referred to a District specified outside Substance Abuse Professional (SAP) who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.
5. The safety-sensitive employee whose controlled substance test results are verified negative will be reinstated. The safety-sensitive employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside Substance Abuse Professional who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.

L. PROCEDURES - POST ACCIDENT

1. The safety-sensitive employee notifies a supervisor that an accident has occurred.
2. The supervisor determines that the circumstances of the accident warrant a post-accident test when a citation was issued or a fatality occurred. Thereafter, the supervisor directs the safety-sensitive employee to immediately go to the collection site for alcohol and controlled substance testing. Because of a testing facility requirement, the safety-sensitive employee in question must have proof of identification, such as a photo driver's license or state-issued photo identification card.
3. At the collection site, the safety-sensitive employee will be required to submit a urine sample for controlled substances and a breath sample for alcohol testing to the on-duty technician. Care will be taken to provide the safety-sensitive employee with maximum privacy without compromising the integrity of the sample.

4. An Administrator will be notified that an accident has occurred and that the safety-sensitive employee was instructed to go to the collection site.
5. The safety-sensitive employee whose test results are negative (less than 0.02 alcohol concentration) will be reinstated. The safety-sensitive employee, whose confirmation test results indicate an alcohol concentration greater than 0.02 but less than 0.04, will not be permitted to return to duty or perform a safety-sensitive function for 24 hours after administration of the test. The safety-sensitive employee whose confirmation test result indicates an alcohol concentration of 0.04 or greater for alcohol will be referred to a District specified outside Substance Abuse Professional (SAP) who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.
6. The safety-sensitive employee whose controlled substance test results are verified negative will be reinstated. The safety-sensitive employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside Substance Abuse Professional who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.

M. PROCEDURES - RETURN-TO-DUTY and FOLLOW-UP

1. The compliance company notifies the District to send the safety-sensitive employee to the collection site for alcohol and controlled substance testing.
2. The supervisor notifies the safety-sensitive employee to immediately go to the collection site for alcohol and controlled substance testing. Because of a testing facility requirement, the safety-sensitive employee in question must have proof of identification, such as a photo driver's license or state-issued photo identification card.
3. At the collection site, the safety-sensitive employee will be required to submit a urine sample for controlled substances and a breath sample for alcohol testing to the on-duty technician. Care will be taken to provide the safety-sensitive employee with maximum privacy without compromising the integrity of the sample.
4. The safety-sensitive employee whose confirmation test results indicate an alcohol concentration greater than 0.02 or whose controlled substance test is verified positive will be terminated.

N. PROCEDURES - CHAIN OF CUSTODY FOR CONTROLLED SUBSTANCE SPECIMENS

1. At the time a specimen is collected, the safety-sensitive employee will be given a copy of the specimen collection procedures.
2. Urine will be in a wide-mouthed clinic specimen container which will remain in full view of the safety-sensitive employee until split, transferred to, sealed and initialed in two tamper-resistant urine bottles.

3. Immediately after the specimens are collected, the urine bottles will, in the presence of the safety-sensitive employee, be labeled and then initialed by the employee. If the sample must be collected at the site other than the controlled substance and/or alcohol testing laboratory, the specimens will then be placed in the transportation container. The container will be sealed in the safety-sensitive employee's presence and the safety-sensitive employee will be asked to initial or sign the container. The container will be sent to the designated testing laboratory on that day or the earliest business day by the fastest available method.
4. A chain of custody form will be completed by the on-duty technician during the specimen collection process and attached to and mailed with the specimen.

O. PROCEDURES - SPECIMEN COLLECTION OF STRANGE AND/OR UNRECOGNIZABLE SUBSTANCES

1. A safety-sensitive employee is observed with a strange and/or unrecognizable substance.
2. The supervisor, in the presence of a witness, places the strange and/or unrecognizable substance into a clear plastic bag. The bag is sealed, labeled and signed by both the supervisor and a witness.
3. An incident report is made and signed by both the supervisor and a witness.
4. The plastic bag containing the specimen and a copy of the incident report is taken to the collection site for transportation to the laboratory for analysis.

P. PROCEDURES - ALCOHOL CONCENTRATION

1. The safety-sensitive employee and the on duty Breath Alcohol Technician (BAT) complete the alcohol testing form to ensure that the results are properly recorded
2. After an explanation of how the breathalyzer works, an initial breath sample is taken
3. If the results of the initial test show an alcohol concentration of 0.02 or greater a second or confirmation test must be conducted. The confirmation test must not be conducted less than 15 minutes after, or more than 20 minutes after the screening test.
4. The confirmation test will utilize an Evidential Breath Testing device that prints out the results, date and time, a sequential test number, and the name and serial number of the Evidential Breath Testing device to ensure the reliability of the results.

As with any policy, the District reserves the right to change, alter, amend, and interpret this policy with or without prior notification.

APPENDIX C SUBSTANCE ABUSE POLICY (SAFETY SENSITIVE)

~~As with any District policy, NORTH TAHOE PUBLIC UTILITY DISTRICT reserves the right to change, alter, amend, and interpret this policy without notice.~~

The purpose of this policy is to assure worker fitness for duty and to protect our employees and the public from risks posed by the use of alcohol and controlled substances. This policy is also intended to comply with all applicable Federal regulations governing workplace anti-drug programs in the transportation industry. The Federal Highway Administration (FFIWA) of the Department of Transportation has enacted 49 CFR Part 382 that mandate urine drug testing and breathalyzer alcohol testing for safety-sensitive positions and prevents performance of safety-sensitive functions when there is a positive test result. The Department of Transportation has also enacted 49 CFR Part 40 that sets standards for the collection and testing of urine and breath specimens. In addition, the Department of Transportation has enacted 49 CFR Part 29, "The Drug-Free Workplace Act of 1988," which requires the establishment of drug free workplace policies and the reporting of certain drug-related offenses to the Department of Transportation. The policy incorporates those [federal regulatory](#) requirements of safety-sensitive employees and others when so noted, [and applicable law shall take precedence over any contrary policy language.](#)

NORTH TAHOE PUBLIC UTILITY DISTRICT recognizes that the use of alcohol and/or controlled substances in the workplace is not conducive to safe working conditions. In order to promote a safe, healthy and productive work environment for all employees, it is the objective of the District to have a work force that is free from the influence of alcohol and controlled substances. [This policy defines prohibited conduct, testing requirements and procedures, and rehabilitation and return-to-work requirements.](#)

A.A. APPLICABILITY

This policy applies to all safety-sensitive employees and contractors when they are on District property or when performing any District related business. It applies to off-site lunch periods and breaks when a safety-sensitive employee is scheduled to return to work. Visitors, vendors, and contracted employees are governed by this policy while on District premises, and they will not be permitted to conduct business if found to be in violation of this policy.

A safety-sensitive employee is defined as any employee having and using a Class "A" or Class "B" commercial driver's license. A safety-sensitive employee is considered to be performing a safety sensitive function during any period in which that employee is actually performing, ready to perform or immediately available to perform any safety-sensitive functions.

B.B. PROHIBITED SUBSTANCES

"Prohibited substances" addressed by this policy include the following:

Drugs:

Marijuana, amphetamines, opiates, phencyclidine (PCP) and cocaine.

Alcohol:

This use of beverages or substances, including any medication, containing alcohol such that it is present in the body at a level in excess of that stated in Department of Transportation guidelines while actually performing, ready to perform, or immediately available to perform any District business is prohibited. "Alcohol" is defined as: the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol, including methyl or isopropyl alcohol.

C.C. PROHIBITED CONDUCT

Manufacture, Trafficking, Possession, and Use

Any safety-sensitive employee engagement in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance or alcohol on District premises, in District vehicles or while conducting District business off the premises is absolutely prohibited. Violation will result in removal from safety-sensitive duty and referral to a Substance Abuse Professional (SAP), as well as potential disciplinary action.

Impaired/Not Fit for Duty

Any safety-sensitive employee who is reasonably suspected of being impaired, under the influence of a prohibited substance, or not fit for duty shall be removed from ~~safety-sensitive~~safety-sensitive job duties and be required to undergo a reasonable ~~suspicion-controlled~~suspicion-controlled substance or alcohol test. Employees failing to pass this reasonable ~~suspicion-controlled~~suspicion-controlled substance or alcohol test shall remain off duty and be referred to a Substance Abuse Professional (SAP). A controlled substance or alcohol test is considered positive (failed) if the individual is found to have a quantifiable presence of a prohibited substance in the body above the minimum thresholds defined in the Department of Transportation guidelines.

Alcohol Use

No safety-sensitive employee may report for duty or remain on duty when his/her ability to perform assigned functions is adversely affected by alcohol or when his/her breath alcohol concentration is 0.04 or greater. No safety-sensitive employee shall use alcohol while on duty or while performing safety-sensitive functions. No ~~safety-sensitive~~safety-sensitive employee shall use/consume alcohol within four hours of reporting for duty nor during hours that he/she is on call. Violation of this provision is prohibited and will subject the employee to removal from safety-sensitive duty and referral to a Substance Abuse Professional (SAP), as well as potential disciplinary action.

Compliance with Testing Requirements

All safety-sensitive employees are subject to controlled substance testing and ~~breathe~~breath alcohol testing. Any safety-sensitive employee who refuses to comply with a request for testing, who provides false information in connection with a test or who attempts to falsify test results through tampering, contamination, adulteration, or substitution shall be removed from duty immediately and be referred to a Substance Abuse Professional (SAP). Refusal to submit to a test can include an inability to provide a urine specimen or breath sample without a valid medical explanation, as well as a verbal declaration, obstructive behavior or physical absence resulting in the inability to conduct the test.

Treatment/Rehabilitation Program

An employee with a controlled substance and/or alcohol problem will be afforded an opportunity for treatment in accordance with the following provisions:

1. Positive Controlled Substance and/or Alcohol Test: A positive test subjects a safety-sensitive employee to discipline up to and including termination. However, a rehabilitation ~~Program~~program with a Return-to-Work Agreement is available for safety-sensitive employees who have tested positive for a prohibited substance on ~~a one time basis only. Employee will be immediately terminated on the occurrence of~~occasion or who receive a second verified positive test result.~~Program costs and more than five years after the first occurrence.~~ Employees who receive a second verified positive test within five years of an initial verified positive test result will be terminated. The duration of any Return-to-Work Agreement shall be concurrent with any program recommended by a Substance Abuse Professional (SAP), and shall not exceed five (5) years. Rehabilitation program costs and the cost of subsequent controlled substance and/or alcohol testing ~~costs~~recommended by the SAP will be paid by the safety-sensitive employee.~~When (via employee's health insurance coverage, if available, or out-of-pocket).~~ In addition, the District may require "on demand" testing during the period of a Return-to-Work Agreement at District expense and shall not exceed ten "on demand" tests per calendar year, unless recommended by the Substance Abuse Professional (SAP), participation. Participation in and completion of the any rehabilitation program recommended by the SAP is mandatory for consideration of a Return-to-Work Agreement. Failure of a safety-sensitive employee to attend and/or complete a prescribed program or violation of the terms of a SAP Agreement, will result in termination from employment. Prior to return-to-duty testing, an employee must follow the rehabilitation program recommended by the SAP and agree to and sign a ~~Return-To-Duty~~SAP Agreement. The duration and frequency of follow-up testing will be determined by the SAP but will not be shorter than one year or longer than five years.

2. Voluntary Admittance: All employees who feel they have a problem with controlled substances and/or alcohol may request leave for voluntary admission to a rehabilitation program administered by a SAP. Requests must be submitted to an Administrator or his/her designee for review. Program costs and subsequent controlled substance and/or alcohol testing costs will be paid by the safety-sensitive employee (via employee's health insurance coverage, if available, or out-of-pocket). An employee failing to complete the program as recommended by the SAP will be subject to removal from a safety sensitive position, which may include termination from employment. An employee completing a SAP recommended rehabilitation program must agree to and sign a ~~Return-To-Duty~~SAP Agreement, pass a return-to-duty controlled substance and/or alcohol test and be subject to up to six (6) unannounced follow-up ~~testing tests~~ testing tests for ~~3624~~ 3624 months following return to duty. A positive result on the ~~return-to-duty~~return-to-duty test or on the unannounced follow-up tests within a ~~3624~~ 3624 month period will result in termination from employment.

~~Participants in the rehabilitation program may use accumulated sick leave, vacation and compensatory time, if any.~~

Employees who take leave to participate in a rehabilitation program may use accumulated sick leave, vacation, and compensatory time, if any. For those employees who are eligible, such leave will be designated as leave under applicable statutory medical leave programs (e.g. FMLA, CFRA, ADA/FEHA), and such leaves shall be provided pursuant those programs' requirements where applicable (e.g. benefit continuation, return-to-work certifications, etc.).

D.D. NOTIFYING THE DISTRICT OF CRIMINAL DRUG CONVICTION

Pursuant to the "Drug Free Workplace Act of 1988" any employee who fails to immediately notify the District of any criminal controlled substance statute conviction shall be subject to disciplinary action, up to and including termination of employment.

E.E. PROPER APPLICATION OF THE POLICY

The District is dedicated to assuring fair and equitable application of this Substance Abuse Policy.

Therefore, supervisors are required to administer all aspects of the policy in an unbiased and impartial manner. Any supervisor who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy with respect to his/her subordinates shall be subject to disciplinary action, up to and including termination.

F.F. TESTING FOR PROHIBITED SUBSTANCES

~~Analytical urine controlled~~Controlled substance and alcohol testing ~~and breath testing for alcohol~~ will be conducted as required under Department of Transportation guidelines. All safety-sensitive employees shall be subject to testing prior to employment, randomly, for reasonable suspicion, and following an accident, as defined in the Department of Transportation guidelines. In addition, all ~~safety-sensitive~~safety-sensitive employees will be tested prior to returning to duty after failing a controlled substance and/or alcohol test. Employees who have returned to duty will be subject to unannounced ~~follow-up~~follow-up tests ~~for up to five years~~, as determined by a Substance Abuse Professional (SAP). ~~Safety-sensitive, and on-demand as part of any Return to Work Agreement, which shall not exceed five years duration.~~ Safety-sensitive employees who perform safety-sensitive functions as defined in the Department of Transportation guidelines shall also be subject to testing on randomly selected, unannounced basis.

Testing shall be conducted in a manner to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities which have been approved by the Department of Health and Human Services (DHJ-IS). All testing will be conducted consistent with the procedures put forth in the Department of Transportation guidelines.

The controlled substances that will be tested for include marijuana, cocaine, opiates, amphetamines, and phencyclidine (PCP). [California laws permitting various uses of marijuana have no bearing on these requirements or penalties, which arise out of federal law pertaining to employment in safety-sensitive positions.](#) An initial controlled substance screen will be conducted on each specimen. For those specimens that are positive, a confirmatory Gas Chromatography/Mass Spectrometry (GC/MS) test will be performed. The test will be considered positive if the controlled substance levels present are above the minimum thresholds established in the Department of Transportation guidelines.

Tests for alcohol concentration will be conducted utilizing an approved Evidential Breath Testing device (EBT) operated by a trained Breath Alcohol Technician (BAT). If the initial test indicated an alcohol concentration of 0.02 or greater, a confirmation test will be performed to confirm the result of the initial test. An employee who has a confirmed alcohol concentration of 0.02 but

less than 0.04 will be removed from his/her position for at least twenty-four hours unless a retest results in an alcohol concentration less than 0.02. An alcohol concentration of 0.04 or greater will be considered a positive alcohol test and in violation of Department of Transportation guidelines and this policy.

Any safety-sensitive employee who has a confirmed positive controlled substance or alcohol test will be removed from his/her position, informed of educational and rehabilitation program available, and evaluated by a Substance Abuse Professional (SAP).

The District affirms the need to protect individual dignity, privacy and confidentiality throughout the testing process.

Employees in safety-sensitive positions may be tested under any of the following circumstances:

Pre-Employment Testing

All applicants for safety-sensitive classifications shall undergo ~~urine-controlled~~[urine-controlled](#) substance testing prior to employment [in, or to assignment to, a safety-sensitive position.](#) Receipt of a satisfactory test result is required prior to employment and failure of a controlled substance test will disqualify the applicant from further consideration for employment. Pre-Employment testing requirements will be conducted in compliance with current law.

Reasonable Suspicion Testing

All safety-sensitive employees will be subject to urine and/or breath testing when there is a reason to believe that controlled substances or alcohol use is adversely affecting job performance. A reasonable suspicion referral for testing will be made on the basis of documented objective, [contemporaneous](#) facts and circumstances [concerning the appearance, behavior, speech, and body odors of the employee](#) which are consistent with the effects of substance abuse. ~~Examples of reasonable suspicion include, but are not limited to, the following:~~ [The following may constitute reasonable cause to believe that an employee is under the influence of drugs or alcohol:](#)

~~a. Adequate documentation of unsatisfactory work performance or on-the-job behavior.~~

- 1) Incoherent, slurred speech;
- 2) Odor of alcohol on the breath;
- 3) Staggering gait, disorientation, or loss of balance;
- 4) Red and watery eyes, if not explained by environmental causes;
- 5) Paranoid or bizarre behavior;
- 6) Unexplained drowsiness

~~b. Physical signs and symptoms consistent with prohibited substance use.~~

7) ~~e. Occurrence of a serious or potentially serious accident that may have been caused by human error.~~

~~d. Fights (to mean physical contact), assaults and flagrant disregard or violations of established safety, security, or other operation procedures.~~

Reasonable suspicion determinations will be made by a supervisor who is trained to detect the signs and symptoms of controlled substance and alcohol use and who reasonably concludes that an employee may be adversely affected or impaired in his/her work performance due to prohibited substance abuse or misuse.

Supervisors are required to document their observations and submit them to Human Resources or the General Manager (or designee) prior to transporting the employee to the collection site. Employees subject to a reasonable suspicion test shall be transported to the collection site by designated management personnel. When possible, a second supervisory employee will be present to confirm the reasonable suspicion observations.

Post-Accident Testing

Safety-sensitive employees will be required to undergo controlled substance and/or breath alcohol testing if they are involved in an accident with a District vehicle that results in a fatality. This includes all safety-sensitive employees who are on duty in the vehicles and any other whose performance could have contributed to the accident. In addition, a post-accident test will be conducted if an accident results in injuries requiring transportation to a medical treatment facility; or where one or more vehicles incurs disabling damage that requires towing from the site; ~~and or~~ if the safety-sensitive employee receives a citation under State of local law for a moving traffic violation arising from the accident.

Following an accident, the safety-sensitive employee will be provided a ride to the testing site and tested as soon as possible, but not to exceed eight hours for alcohol and 32 hours for controlled substances. Any employee who leaves the scene of the accident without appropriate authorization prior to submission to controlled substance and alcohol testing will be considered to have refused the test and subject to termination. Post-accident testing of safety-sensitive employees will include not only the operation personnel, but any other covered employees whose performance could have contributed to the accident.

Random Testing

Employees working in safety-sensitive classifications will be subjected to randomly selected, unannounced testing. The random selection will be by a scientifically valid method. Each safety-sensitive employee will have an equal chance of being tested each time selections are made. Safety-sensitive employees will be tested either just before departure, or during duty, or just after the safety-sensitive employee has ceased performing his/her duty. Testing may occur any time the employee is performing duties for the District on a designated workday. Employee will not be called back to work just to be called in for a random test.

Return-to-Duty Testing

All safety-sensitive employees who previously tested positive on a controlled substance or alcohol test must test negative and be evaluated and released to duty by the Substance Abuse Professional (SAP) before returning to duty. Employees will be required to undergo unannounced ~~follow-up-controlled~~ follow-up-controlled substance and/or alcohol breath testing following returning to duty. The duration and frequency will be determined by the SAP. ~~However, it shall not be less than 6 tests during the first 12 months, nor~~ and the terms of any SAP Agreement and in any event no longer than ~~60 months in total, five years~~ following return to duty.

Employee Requested Testing (Split Sample)

Any safety-sensitive employee who questions the result of a required controlled substance test under Department of Transportation guidelines may request that an additional test be conducted. This additional test may be conducted at the same laboratory or at a different DHHS certified laboratory. The test must be conducted on the split sample that was provided at the same time as the original sample. All costs for such testing are to be paid by the employee

unless the second test invalidates the original test. The method of collecting, storing, and testing the split sample will be consistent with the procedures set forth in the Department of Transportation guidelines. The safety-sensitive employee's request for a retest must be made to the MRO within 72 hours of notice of the initial test result. Requests after 72 hours will only be accepted if the delay was due to documentable facts that were beyond the control of the employee.

G.G. EMPLOYEE ASSESSMENT

Any safety-sensitive employee who tests positive for the presence of controlled substances or whose breath alcohol concentration is above the minimum thresholds set forth in the Department of Transportation guidelines will be assessed by a Substance Abuse Professional (SAP). ~~A~~An SAP is a licensed physician, psychologist, social worker, employee assistance professional, or addiction counselor with knowledge of and clinically experienced in the diagnosis and treatment of alcohol related disorders. The SAP will evaluate each employee to determine what assistance, if any, the employee needs in resolving problems associated with prohibited substance abuse or misuse. An employee who has tested positive for controlled substances or alcohol and who refuses to meet with the SAP for evaluation, or to participate in any rehabilitation recommended by the SAP, shall be subject to immediate termination.

If a safety-sensitive employee is returned to duty following rehabilitation, he/she must agree to and sign a ~~Return-To-Duty~~SAP Agreement (and where applicable, a Return to Work Agreement), pass a return-to-duty controlled substance and/or alcohol test and be subject to unannounced follow-up tests for a period of one to five years, as determined by the SAP. The cost of any rehabilitation and subsequent controlled substance and/or alcohol testing recommended by the SAP is borne by the safety-sensitive employee ~~and is on a one-time basis only.~~ except as may be covered by the Employee's group health insurance, if available. Costs of additional District ordered "on demand" testing as part of a Return-to-Work Agreement shall be borne by the District. An Employee will be immediately terminated on the occurrence of a second verified positive test result within five years of an initial verified positive test result. Employees may use available protected leaves (e.g. FMLA, CFRA, ADA/FEHA) to participate in the prescribed rehabilitation program and may utilize accumulated sick leave, vacation and floating holidays, if any, ~~to participate in the prescribed rehabilitation program as wage replacement during such leave.~~ Employees who exhaust leave balances shall be placed on an approved leave of absence without pay.

H.H. CONTACT PERSON

Any questions regarding this policy should contact the following Human Resources representative:

Name: Human Resources ~~Manager~~
Address: Post Office Box 139, Tahoe Vista, CA 96148
Telephone: (530) 546-4212

I. FEDERAL MOTOR CARRIER SAFETY ADMINISTRATION CLEARINGHOUSE RULES

The Clearinghouse rule requires FMCSA-regulated employers, medical review officers (MROs), substance abuse professionals (SAPs), third-party administrators and other service agents to report to the Clearinghouse information related to violations of FMCSA's drug and alcohol testing regulations by current and prospective employees. The following information will be reported to the Clearinghouse (by the District, MRO, SAP, or third party administrator/service agent) as required by law:

- A verified positive, adulterated or substituted drug test result;
- An alcohol confirmation test with a concentration of .04 or higher;
- A refusal to submit to a drug or alcohol test;
- The District's report of actual knowledge, as defined in 49 CFR 382.107;
- On-duty alcohol use, pursuant to 49 CFR 382.205;
- Pre-duty alcohol use, pursuant to 49 CFR 382.207;
- Alcohol use following an accident, pursuant to 49 CFR 382.209;
- Drug use, pursuant to 49 CFR 382.213;
- An SAPs report of the successful completion of the return-to-duty process;
- A negative return-to-duty test; and
- A report of completion of follow up testing.

The District will query the Clearinghouse for current and prospective employees' drug and alcohol program violations before permitting such employees to operate a commercial motor vehicle on public roads. The District will also annually query the Clearinghouse for each driver currently employed by the District.

I.J. DEFINITIONS

ACCIDENT - means an unintended happening or mishap where there is loss of human life (regardless of fault), bodily injury or significant property damage.

ALCOHOL - means the intoxicating agent in beverage alcohol, ethyl alcohol or other low molecular weight alcohol including methyl or isopropyl alcohol.

ALCOHOL CONCENTRATION - means the alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test under this regulation. For example, 0.02 means 0.02 grams of alcohol in 210 liters of expired deep lung air.

ALCOHOL USE - means consumption of any beverage, mixture, or preparation, including any medication containing ethyl alcohol. Since ingestion of a given amount of alcohol produces the same alcohol concentration in an individual whether the alcohol comes from a mixed drink or cough syrup, the Department of Transportation prohibits the use of any substance containing alcohol, such as prescription or over-the-counter medication or liquor-filled chocolates. Prescription medications containing alcohol may

have a greater impairing affect due to the presence of other elements (e.g., antihistamines).

BREATH ALCOHOL TECHNICIAN (BAT) - means a person trained to proficiency in the operation of the Evidential Breath Testing (EBT) device that the technician is using in the alcohol testing procedures. EBT are the only qualified personnel to administer the EBT tests.

CHAIN OF CUSTODY - means the procedures to account for the integrity of each urine specimen by tracking its handling and storage from point of collection to final disposition.

COLLECTION SITE - means a place designated by the District where individuals present themselves for the purpose of providing a specimen of either urine and/or breath.

COMMERCIAL MOTOR VEHICLE - means a motor vehicle, or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle: (1) has a gross combination weight rating of 26,001 or more pounds inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds; or (2) has a gross vehicle weight rating of 26,001 or more pounds; or (3) is designed to transport 16 or more passengers, including the driver; or (4) is of any size and is used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act and which require the motor vehicle to be placarded under the Hazardous Materials Regulations.

CONFIRMATION TEST - for alcohol testing means a second test, following a screening test with a result of 0.02 or greater, that provides quantitative data of alcohol concentration. For controlled substances testing this means a second analytical procedure to identify the presence of a specific drug or metabolite which is independent, of the screen test and which uses a different technique and chemical principle from that of the screen test in order to ensure reliability and accuracy. (Gas chromatography/mass spectrometry (CGIMS) is the only authorized confirmation method of cocaine, marijuana, opiates, amphetamines, and phencyclidine.)

CONTROLLED SUBSTANCE (DRUG) TEST - A method of detecting and measuring the presence of alcohol and other controlled substances, whether legal or illegal, in a person's body. A controlled substance test may be either an initial test or confirmation test. An initial controlled substance test is designed to identify specimens having concentrations of a particular class of drug above a specified concentration level. It eliminates negative specimens from further consideration.

Controlled substances will be tested under the Department of Health and Human Services guidelines. **The primary (initial or screening) controlled substance test thresholds for a verified positive test result are those that are equal to or greater than:**

Alcohol	0.02	grams
Marijuana Metabolites	50	ng/ml
Cocaine Metabolites	300	ng/ml
Phencyclidine (PCP)	25	ng/ml
Opiates Metabolites (1)	2000	ng/ml
Amphetamines	1000	ng/ml
	1.25	ng/ml if immunoassay

1.25 ng/ml if immunoassay

A confirmation drug testing is a second analytical procedure to detect the presence of a specific drug or its metabolite. The confirmation procedure is conducted independent of the initial test and uses a different technique and chemical principle in order to confirm reliability and accuracy. **The confirmatory controlled substance test thresholds for a verified positive test result are those that are equal to or greater than:**

Alcohol	0.04	grams
Marijuana Metabolites (THC) (1)	15	ng/ml
Cocaine Metabolites	150	ng/ml
Phencyclidine (PCP)	25	ng/ml
Opiates Metabolites	2000	ng/ml
Morphine	2000	ng/ml
Codeine	2000	ng/ml
6-Acetylmorphine (3)	10	ng/ml
Amphetamines	1000	ng/ml
Amphetamine	500	ng/ml
Methamphetamine (3)	500	ng/ml

- ~~1.~~1. Delta-9-tetrahydrocannabinol-9-carboxylic acid
- ~~2.~~2. Benzoylcegonine
- ~~3.~~3. Test for 6-Acetylmorphine when morphine concentration exceeds 2000 ng/ml
- ~~4.~~4. Specimen must also contain amphetamine at a concentration greater than or equal to 200 ng/ml

COVERED EMPLOYEE - means a person including a volunteer, applicant, or transferee, who performs a safety-sensitive function for the District.

DEPARTMENT OF TRANSPORTATION GUIDELINES - means the controlled substance and alcohol testing rules (49 CFR Part 199 (RSPA - Pipeline), Part 219 (FRA. Railroad), Part 382 (FHWA - Commercial Motor Vehicle), 654 (FTA - Mass Transit) and 14 CFR 61 (FAA - Aviation) et. al.) setting forth the procedures for controlled substance and alcohol testing (49 CFR Part 40) in all the transportation industries.

DISTRICT - means NORTH TAHOE PUBLIC UTILITY DISTRICT.

DISTRICT TIME - means any period of time in which the safety-sensitive employee is actually performing, ready to perform, or immediately available to perform any ~~safety-sensitive~~safety-sensitive functions.

DRIVER - means any person who operates a commercial motor vehicle. This includes full time, regularly employed drivers; casual, intermittent or occasional drivers; leased drivers and independent, owner-operator contractors who are either directly employed by or under lease to an employer or who operate a commercial motor vehicle at the direction of or with the consent of an employer. For the purposes of pre-employment/pre-duty testing only, the term driver includes a person applying to an employer to drive a commercial motor vehicle.

DRUG (CONTROLLED SUBSTANCE) METABOLITE - means the specific substance produced when the human body metabolizes (changes) a given drug (controlled substance) as it passes through the body and is excreted in urine.

EVIDENTIAL BREATH TESTING DEVICE (EBT) - means the device to be used for breath alcohol testing.

MEDICAL REVIEW OFFICER (MRO) - means a licensed physician responsible for analyzing laboratory results generated by an employer's controlled substance (drug) testing program. The MRO is knowledgeable about substance abuse disorders and has appropriate medical training to interpret and evaluate positive test results.

PERFORMING (SAFETY SENSITIVE FUNCTION) - means a safety-sensitive employee is considered to be performing a safety sensitive function and includes any period in which the safety-sensitive employee is actually performing, ready to perform, or immediately available to perform such functions.

POST-ACCIDENT ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted after accidents on employees whose performance could have contributed to the accident. For drivers this is determined by a citation for a moving traffic violation and for all fatal accidents even if the driver is not cited for a moving traffic violation. See Accident.

PRE-EMPLOYMENT CONTROLLED SUBSTANCE TESTING - conducted before applicants are hired or after an offer to hire, but before actually performing safety-sensitive functions for the first time. Also required when employees transfer to a safety ~~sensitive-~~
~~position~~[sensitive-position](#).

PROHIBITED DRUGS (CONTROLLED SUBSTANCES) - means Marijuana, Cocaine, Opiates, Amphetamines, or Phencyclidine.

PROHIBITED SUBSTANCES - means and is synonymous to drug abuse and/or alcohol misuse or abuse.

RANDOM ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted on a random unannounced basis just before, during or just after performance of safety sensitive functions.

REASONABLE SUSPICION ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted when a trained supervisor observes behavior or appearance that is characteristic of alcohol misuse or controlled substance abuse.

REFUSE TO SUBMIT (TO AN ALCOHOL AND/OR CONTROLLED SUBSTANCE TEST) - means that a safety-sensitive employee fails to provide an adequate breath or urine sample for testing without a valid medical explanation after that ~~safety-sensitive~~[safety-sensitive](#) employee received notice of the requirement to be tested, or engages in conduct that clearly obstructs the testing process (i.e., verbal declarations, obstructive behavior or physical absence resulting in the inability to conduct the test.)

REHABILITATION - The total process of restoring an employee to satisfactory work performance through constructive confrontation, referral to the SAP and participation in SAP recommendations such as education, treatment and/or support groups to resolve personal, physical, emotional, or mental problems which contributed to job problems.

RETURN-TO-DUTY AND FOLLOW-UP ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING –

conducted when an individual who has violated the prohibited alcohol or controlled substance conduct standards returns to performing safety sensitive-duties. ~~Follow-up~~Follow-up tests are unannounced and at least 6 tests must be conducted in the first ~~12~~24 months after an employee returns to duty. Follow-up testing may be extended for up to 60 months following return to duty upon the SAP recommendation.

~~**RETURN-TO-DUTY AGREEMENT**—means a document agreed to and signed by the employer, safety-sensitive employee and the Substance Abuse Professional that outlines the terms and conditions under which the safety-sensitive employee may return to duty after having had a verified positive controlled substance test result or an alcohol concentration of 0.04 or greater on an alcohol test.~~

RETURN TO WORK AGREEMENT – Means a written and signed agreement between the employer and the safety-sensitive employee which states the terms of testing following a return to work after a verified positive test for a controlled substance or alcohol and the consequences of a future positive test.

SAFETY-SENSITIVE EMPLOYEE (FUNCTION AND/OR POSITION) - An employee is considered to be performing a safety-sensitive function during any period in which that employee is actually performing, ready to perform, or immediately available to perform any safety-sensitive functions.

SAP AGREEMENT - means a document agreed to and signed by the employer, safety-sensitive employee and the Substance Abuse Professional that outlines the terms and conditions under which the safety-sensitive employee may return to duty after having had a verified positive controlled substance test result or an alcohol concentration of 0.04 or greater on an alcohol test.

SCREENING (INITIAL) TEST - In alcohol testing, it means an analytical procedure to determine whether a safety-sensitive employee may have a prohibited concentration of alcohol in their system. In controlled substance testing, it means an immunoassay screen to eliminate negative urine specimens from further consideration.

SUBSTANCE ABUSE PROFESSIONAL (SAP) - means a licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker (with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol- related disorders, the license alone does not authorize this), Certified Employee Assistance Professional (CEAP), or addiction counselor certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission (NAADAC) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substances-related disorders.

SUPERVISOR - means a person in authority who has had one hour of training on the signs and symptoms of alcohol abuse and an additional hour of training on the signs and symptoms of controlled substance abuse.

VEHICLE - means a bus, truck, van, automobile, rail car, trolley car, trolley bus, or vessel used for operations of the District.

J.K. PROCEDURES - REASONABLE SUSPICION TESTING

~~4-~~1. A safety-sensitive employee who may possibly be under the influence of alcohol and/or controlled substances is observed by a supervisor. When possible, a second supervisory employee will be present to confirm the reasonable suspicion observations.

Any employee may identify someone suspected of alcohol and/or controlled substance to any supervisor. Employees should realize, however, that it is against District policy to make false or malicious statements about other employees and doing so can result in disciplinary action being taken against the offending employee. However, the supervisor must witness first hand the safety-sensitive employee's signs and symptoms.

- ~~2-~~ 2. The supervisor is then obligated to insure that the matter is immediately investigated. If possible, two supervisors determine (independently or together) that the safety-sensitive employee in question may indeed be under the influence of alcohol and/or controlled substances.
- ~~3-~~ 3. When the supervisor(s) suspect and believe that the safety-sensitive employee may be under the influence of alcohol and/or controlled substances, the safety-sensitive employee is then immediately suspended from duty (with pay) and driven by District staff (or others designated) to the District specified collection site. Because of a testing facility requirement, the safety-sensitive employee in question must show proof of identification, such as a photo driver's license or state-issued photo identification card. Whenever practical, an Administrator should be notified in advance of the employee being taken to the collection site.
- ~~4-~~ 4. At the collection site, the safety-sensitive employee will be required to submit a urine sample in the event that controlled substances are suspected or a breath sample in the event that alcohol intoxication is suspected to the on-duty technician. Care will be taken to provide the safety-sensitive employee with maximum privacy without compromising the integrity of the sample.
- ~~5-~~ 5. The District will take precautions to prevent the safety-sensitive employee being tested from going back to work and driving their own car home. Instead, the safety-sensitive employee will be given assistance in obtaining a ride home from the collection site.
- ~~6-~~ 6. The safety-sensitive employee whose test results are negative (less than 0.02 alcohol concentration) will be reinstated. The safety-sensitive employee, whose confirmation test results indicate an alcohol concentration greater than 0.02 but less than 0.04, will not be permitted to return to duty or perform a safety-sensitive function for 24 hours after administration of the test. The safety-sensitive employee whose confirmation test result indicates an alcohol concentration of 0.04 or greater for alcohol will be referred to a District specified outside Substance Abuse Professional (SAP) who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to- duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.
- ~~7-~~ 7. The safety-sensitive employee whose controlled substance test results are verified negative will be reinstated. The safety-sensitive employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside Substance Abuse Professional who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.

K.L. PROCEDURES - RANDOM TESTING

- 4.1.** The compliance company notifies the supervisor to send the safety-sensitive employee to the collection site for alcohol and/or controlled substance testing.

- ~~2-2.~~ The supervisor notifies the safety-sensitive employee to go to the collection site for alcohol and/or controlled substance testing immediately. Because of a testing facility requirement, the safety-sensitive employee in question must have proof of identification, such as a photo driver's license or state-issued photo identification card.
- ~~3-3.~~ At the collection site, the safety-sensitive employee will be required to submit a urine sample in the event that controlled substances are to be tested for, or a breath sample in the event that alcohol is being tested for to the on-duty technician. Care will be taken to provide the safety-sensitive employee with maximum privacy without compromising the integrity of the sample.
- ~~4-4.~~ The safety-sensitive employee whose test results are negative (less than 0.02 alcohol concentration) will be reinstated. The safety-sensitive employee, whose confirmation test results indicate an alcohol concentration greater than 0.02 but less than 0.04, will not be permitted to return to duty or perform a safety-sensitive function for 24 hours after administration of the test. The safety-sensitive employee whose confirmation test result indicates an alcohol concentration of 0.04 or greater for alcohol will be referred to a District specified outside Substance Abuse Professional (SAP) who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to- duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.
- ~~5-5.~~ The safety-sensitive employee whose controlled substance test results are verified negative will be reinstated. The safety-sensitive employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside Substance Abuse Professional who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety- sensitive employee's termination.

~~L-M.~~ PROCEDURES - POST ACCIDENT

- ~~4-1.~~ The safety-sensitive employee notifies a supervisor that an accident has occurred.
- ~~2-2.~~ The supervisor determines that the circumstances of the accident warrant a post- accident test when a citation was issued or a fatality occurred. Thereafter, the supervisor **will provide a ride to the testing site and** directs the safety-sensitive employee to immediately go to the collection site for alcohol and controlled substance testing. Because of a testing facility requirement, the safety- sensitive employee in question must have proof of identification, such as a photo driver's license or state-issued photo identification card.
- ~~3-3.~~ At the collection site, the safety-sensitive employee will be required to submit a urine sample for controlled substances and a breath sample for alcohol testing to the on-duty technician. Care will be taken to provide the safety-sensitive employee with maximum privacy without compromising the integrity of the sample.

- ~~4.4.~~ An Administrator will be notified that an accident has occurred and that the safety-sensitive employee was instructed to go to the collection site.
- ~~5.5.~~ The safety-sensitive employee whose test results are negative (less than 0.02 alcohol concentration) will be reinstated. The safety-sensitive employee, whose confirmation test results indicate an alcohol concentration greater than 0.02 but less than 0.04, will not be permitted to return to duty or perform a safety-sensitive function for 24 hours after administration of the test. The safety-sensitive employee whose confirmation test result indicates an alcohol concentration of 0.04 or greater for alcohol will be referred to a District specified outside Substance Abuse Professional (SAP) who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.
- ~~6.6.~~ The safety-sensitive employee whose controlled substance test results are verified negative will be reinstated. The safety-sensitive employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside Substance Abuse Professional who will assess the safety-sensitive employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the safety-sensitive employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the safety-sensitive employee's termination.

M-N. PROCEDURES - RETURN-TO-DUTY and FOLLOW-UP

- ~~4.1.~~ The compliance company notifies the District to send the safety-sensitive employee to the collection site for alcohol and controlled substance testing.
- ~~2.2.~~ The supervisor notifies the safety-sensitive employee to immediately go to the collection site for alcohol and controlled substance testing. Because of a testing facility requirement, the safety-sensitive employee in question must have proof of identification, such as a photo driver's license or state-issued photo identification card.
- ~~3.3.~~ At the collection site, the safety-sensitive employee will be required to submit a urine sample for controlled substances and a breath sample for alcohol testing to the on-duty technician. Care will be taken to provide the safety-sensitive employee with maximum privacy without compromising the integrity of the sample.
- ~~4.4.~~ The safety-sensitive employee whose confirmation test results indicate an alcohol concentration greater than 0.02 or whose controlled substance test is verified positive will be terminated.

N-O. PROCEDURES - CHAIN OF CUSTODY FOR CONTROLLED SUBSTANCE SPECIMENS

- ~~4.1.~~ At the time a specimen is collected, the safety-sensitive employee will be given a copy of the specimen collection procedures.
- ~~2.2.~~ Urine will be in a wide-mouthed clinic specimen container which will remain in full view of the safety-sensitive employee until split, transferred to, sealed and initialed in two tamper-resistant urine bottles.

~~3.3.~~ Immediately after the specimens are collected, the urine bottles will, in the presence of the safety-sensitive employee, be labeled and then initialed by the employee. If the sample must be collected at the site other than the controlled substance and/or alcohol testing laboratory, the specimens will then be placed in the transportation container. The container will be sealed in the safety-sensitive employee's presence and the safety-sensitive employee will be asked to initial or sign the container. The container will be sent to the designated testing laboratory on that day or the earliest business day by the fastest available method.

~~4.4.~~ A chain of custody form will be completed by the on-duty technician during the specimen collection process and attached to and mailed with the specimen.

Q.P. PROCEDURES - SPECIMEN COLLECTION OF STRANGE AND/OR UNRECOGNIZABLE SUBSTANCES

~~1.1.~~ A safety-sensitive employee is observed with a strange and/or unrecognizable substance.

~~2.2.~~ The supervisor, in the presence of a witness, places the strange and/or unrecognizable substance into a clear plastic bag. The bag is sealed, labeled and signed by both the supervisor and a witness.

~~3.3.~~ An incident report is made and signed by both the supervisor and a witness.

~~4.4.~~ The plastic bag containing the specimen, and a copy of the incident report is taken to the collection site for transportation to the laboratory for analysis.

P.Q. PROCEDURES - ALCOHOL CONCENTRATION

~~1.1.~~ The safety-sensitive employee and the ~~on-duty~~on-duty Breath Alcohol Technician (BAT) complete the alcohol testing form to ensure that the results are properly recorded

~~2.2.~~ After an explanation of how the breathalyzer works, an initial breath sample is taken

~~3.3.~~ If the results of the initial test show an alcohol concentration of 0.02 or greater a second or confirmation test must be conducted. The confirmation test must not be conducted less than 15 minutes after, or more than 20 minutes after the screening test.

~~4.4.~~ The confirmation test will utilize an Evidential Breath Testing device that prints out the results, date and time, a sequential test number, and the name and serial number of the Evidential Breath Testing device to ensure the reliability of the results.

~~As with any policy, the District reserves the right to change, alter, amend, and interpret this policy with or without prior notification.~~

Summary report: Litera Compare for Word 11.8.0.56 Document comparison done on 10/15/2024 3:03:35 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: nd://4875-4126-2064/1/Appendix C - Substance Abuse Policy (Safety Sensitive) July 2022.docx	
Modified DMS: nd://4873-5723-6976/1/Appendix C - Substance Abuse Policy (Safety Sensitive) October 2024.docx	
Changes:	
<u>Add</u>	189
Delete	135
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	0
Table Delete	0
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	324

APPENDIX D SUBSTANCE ABUSE POLICY (NON-SAFETY SENSITIVE)

The purpose of this policy is to clearly define North Tahoe Public Utility District (Employer) Policy on non-safety sensitive employee and applicant drug and alcohol use, abuse, drug testing, and related matters as it applies to employment and to protect our employees and the public from risks posed by the use of alcohol and controlled substances.

NORTH TAHOE PUBLIC UTILITY DISTRICT recognizes that the use of alcohol and/or controlled substances, including marijuana and cannabis, in the workplace is not conducive to safe working conditions. In order to promote a safe, healthy and productive work environment for all employees, it is the objective of the District to have a work force that is free from the influence of alcohol and controlled substances. This policy defines prohibited conduct, testing requirements and procedures, and rehabilitation and return-to-work requirements.

A. APPLICABILITY

This policy applies to all non-safety-sensitive employees of the District and applicants for such positions. It applies to off-site lunch periods and breaks when a non-safety-sensitive employee is scheduled to return to work. Applicants are governed by this policy while on District premises, and they will not be permitted to conduct business if found to be in violation of this policy.

A non-safety-sensitive employee is defined as any employee not having nor using a Class "A" or Class "B" commercial driver's license as required by their job description. Class "A" or Class "B" commercial drivers are subject to Appendix C – Substance Abuse Policy (Safety Sensitive).

This policy does not apply to Seasonal Employees. Seasonal Employees are subject to the District's Seasonal Employee Drug and Alcohol Testing Policy.

B. PROHIBITED SUBSTANCES

"Prohibited substances" addressed by this policy include the following:

Drugs:

Amphetamines, opiates, phencyclidine (PCP), cocaine, and Marijuana (psychoactive metabolites only).

Alcohol:

The use of beverages or substances, including any medication, containing alcohol such that it is present in the body at a level in excess of 0.05 while actually performing, ready to perform, or immediately available to perform any District business is prohibited. "Alcohol" is defined as: the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol, including methyl or isopropyl alcohol.

C. PROHIBITED CONDUCT

Manufacture, Trafficking, Possession, and Use

Any employee engagement in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance or alcohol on District premises, in District vehicles or while conducting District business off the premises is absolutely prohibited. Violation will result in removal from duty and referral to a Substance Abuse Professional (SAP), as well as potential disciplinary action. Applicant engagement will automatically exclude them from the applicant process and individual will not be considered for District employment.

Any employee who is reasonably suspected of being impaired, under the influence of a prohibited substance, or not fit for duty shall be removed from job duties and be required to undergo a reasonable suspicion controlled substance or alcohol test. Employees failing to pass this reasonable suspicion controlled substance or alcohol test shall remain off duty and be referred to a SAP. A controlled substance or alcohol test is considered positive (failed) if the individual is found to have a quantifiable presence of a prohibited substance in the body above the minimum thresholds defined in this policy.

Alcohol Use

No employee may report for duty or remain on duty when his/her ability to perform assigned functions is adversely affected by alcohol or when his/her breath alcohol concentration is 0.05 or greater. No employee shall use alcohol while on duty or while performing functions. No employee shall consume alcohol within four hours of reporting for duty nor during hours that he/she is on call. Violation of this provision is prohibited and will subject the employee to removal from duty and referral to a SAP, as well as potential disciplinary action.

Compliance with Testing Requirements

All employees and applicants are subject to controlled substance testing and breath alcohol testing. Any employee who refuses to comply with a request for testing, who provides false information in connection with a test or who attempts to falsify test results through tampering, contamination, adulteration, or substitution shall be removed from duty immediately and be referred to a SAP. Refusal to submit to a test can include an inability to provide a urine specimen or breath sample without a valid medical explanation, as well as a verbal declaration, obstructive behavior or physical absence resulting in the inability to conduct the test. Any applicant who engages in such conduct shall be excluded from consideration for employment for 12 months.

Treatment/Rehabilitation Program

An employee with a controlled substance and/or alcohol problem will be afforded an opportunity for treatment in accordance with the following provisions:

1. Positive Controlled Substance and/or Alcohol Test: A positive test subjects an employee to discipline up to and including termination. However, a rehabilitation program with a Return-to-Work Agreement is available for employees who have tested positive for a prohibited substance on one occasion or who receive a second verified positive test result more than five years after the first occurrence. Employees who receive a second verified positive test within five years of an initial verified positive test result will be terminated. The duration of any Return-to-Work Agreement shall be concurrent with any program recommended by a SAP, and shall not exceed five (5) years. Rehabilitation program costs and the cost of subsequent controlled substance and/or alcohol testing recommended by the SAP will be paid by the employee (via employee's health insurance coverage, if available, or out-of-pocket). In addition, the District may require "on demand" testing during the period of a Return-to-Work Agreement at District expense, and shall not exceed ten "on demand" tests per calendar year, unless recommended by the SAP. Participation in and completion of any rehabilitation program recommended by the SAP is mandatory for consideration of a Return-to-Work Agreement. Failure of an employee to attend and/or complete a prescribed program or violation of the terms of a Return to Duty agreement, will result in termination from employment. Prior to return-to-duty testing, an employee must follow the rehabilitation program recommended by the SAP and agree to and sign a SAP Agreement. The duration and frequency of follow-up testing will be determined by the SAP but will not be shorter than one year or longer than five

years.

2. Voluntary Admittance: All employees who feel they have a problem with controlled substances and/or alcohol may request leave for voluntary admission to a rehabilitation program administered by a SAP. Requests must be submitted to an Administrator or his/her designee for review. Program costs and subsequent controlled substance and/or alcohol testing costs will be paid by the employee (via employee's health insurance coverage, if available, or out-of-pocket). An employee failing to complete the program as recommended by the SAP will be subject to removal from their position, which may include termination from employment. An employee completing an SAP recommended rehabilitation program must agree to and sign a Return-to-Duty agreement, pass a return-to-duty controlled substance and/or alcohol test and be subject to up to six (6) unannounced follow-up tests for 24 months following return to duty. A positive result on the return-to-duty test or on the unannounced follow-up tests within a 24-month period will result in termination from employment.

Employees who take leave to participate in a rehabilitation program may use accumulated sick leave, vacation, and compensatory time, if any. For those employees who are eligible, such leave will be designated as leave under applicable statutory medical leave programs (e.g. FMLA, CFRA, ADA/FEHA), and such leaves shall be provided pursuant those programs' requirements where applicable (e.g. benefit continuation, return-to-work certifications, etc.).

D. NOTIFYING THE DISTRICT OF CRIMINAL DRUG CONVICTION

Pursuant to the "Drug Free Workplace Act of 1988" any employee who fails to immediately notify the District of any criminal controlled substance statute conviction shall be subject to disciplinary action, up to and including termination of employment.

E. PROPER APPLICATION OF THE POLICY

The District is dedicated to assuring fair and equitable application of this Substance Abuse Policy. Therefore, supervisors are required to administer all aspects of the policy in an unbiased and impartial manner. Any supervisor who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy with respect to his/her subordinates shall be subject to disciplinary action, up to and including termination.

F. TESTING FOR PROHIBITED SUBSTANCES

Controlled substance and/or alcohol testing will be conducted on employees for reasonable suspicion, following an accident, and prior to employment (applicant testing). In addition, all employees will be tested prior to returning to duty after failing a controlled substance and/or alcohol test. Employees who have returned to duty will be subject to unannounced follow-up tests, as determined by a SAP, and on-demand as part of any Return-to-Work Agreement, which shall not exceed five years duration.

Testing shall be conducted in a manner to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities which have been approved by the Department of Health and Human Services (DHHS).

The controlled substances that will be tested for include marijuana (psychoactive metabolites only), cocaine, opiates, amphetamines, and phencyclidine (PCP). The test will be considered positive if the controlled substance levels present are above the minimum thresholds set forth below. California laws permitting various uses of marijuana may affect test procedures.

Tests for alcohol concentration will be conducted utilizing an approved Evidential Breath

Testing device (EBT) operated by a trained Breath Alcohol Technician (BAT). If the initial test indicated an alcohol concentration of 0.05 or greater, a confirmation test will be performed to confirm the result of the initial test. An employee who has a confirmed alcohol concentration of 0.05 or greater will be removed from his/her position for at least twenty-four hours unless a retest results in an alcohol concentration less than 0.05. An alcohol concentration of 0.05 or greater will be considered a positive alcohol test and in violation of this policy.

Any employee who has a confirmed positive controlled substance or alcohol test will be removed from his/her position, informed of educational and rehabilitation program available, and evaluated by a Substance Abuse Professional (SAP).

The District affirms the need to protect individual dignity, privacy, and confidentiality throughout the testing process.

Employees may be tested under any of the following circumstances:

Pre-Employment Testing

All applicants for year-round classifications shall undergo urine controlled substance testing. Receipt of a satisfactory test result is required prior to employment and failure of a controlled substance test will disqualify the applicant from further consideration for employment for a period of 12 months.

Reasonable Suspicion Testing

All employees will be subject to urine and/or breath testing when there is a reason to believe that controlled substances or alcohol use is adversely affecting job performance. A reasonable suspicion referral for testing will be made on the basis of documented objective, contemporaneous facts and circumstances concerning the appearance, behavior, speech, and body odors of the employee which are consistent with the effects of substance abuse.

The following may constitute reasonable cause to believe that an employee is under the influence of drugs or alcohol:

- 1) Incoherent, slurred speech;
- 2) Odor of alcohol on the breath;
- 3) Staggering gait, disorientation, or loss of balance;
- 4) Red and watery eyes, if not explained by environmental causes;
- 5) Paranoid or bizarre behavior;
- 6) Unexplained drowsiness;
- 7) Occurrence of a serious or potentially serious accident.

Reasonable suspicion determinations will be made by a supervisor who is trained to detect the signs and symptoms of controlled substance and alcohol use and who reasonably concludes that an employee may be adversely affected or impaired in his/her work performance due to prohibited substance abuse or misuse.

Supervisors are required to document their observations and submit them to Human Resources or the General Manager (or designee) prior to transporting the employee to the collection site. Employees subject to a reasonable suspicion test shall be transported to the collection site by designated management personnel. When possible, a second supervisory employee will be present to confirm the reasonable suspicion observations.

Post-Accident Testing

Employees will be required to undergo controlled substance and/or breath alcohol testing if they are involved in an accident with a District vehicle that results in a fatality.

This includes all employees who are on duty in the vehicles and any other whose performance could have contributed to the accident. In addition, a post-accident test will be conducted if an accident results in injuries requiring transportation to a medical treatment facility; or where one or more vehicles incurs disabling damage that requires towing from the site; or if the employee receives a citation under State or local law for a moving traffic violation arising from the accident.

Following an accident, the employee will be tested as soon as possible, but not to exceed eight hours for alcohol and 32 hours for controlled substances. Any employee who leaves the scene of the accident without appropriate authorization prior to submission to controlled substance and alcohol testing will be considered to have refused the test and subject to termination. Post-accident testing of employees will include not only the operation personnel, but any other covered employees whose performance could have contributed to the accident.

Return-to-Duty Testing

All employees who previously tested positive on a controlled substance or alcohol test must test negative and be evaluated and released to duty by the SAP before returning to duty. Employees will be required to undergo unannounced follow-up-controlled substance and/or alcohol breath testing following returning to duty. The duration and frequency will be determined by the SAP and the terms of any Return-to-Work-Agreement and in any event shall be no longer than five years following return to duty.

Employee Requested Testing (Split Sample)

Any employee who questions the result of a required controlled substance test may request that an additional test be conducted. This additional test may be conducted at the same laboratory or at a different DHHS certified laboratory. The test must be conducted on the split sample that was provided at the same time as the original sample. All costs for such testing are to be paid by the employee unless the second test invalidates the original test. The method of collecting, storing, and testing the split sample will be consistent with the procedures set forth in this policy. The employee's request for a retest must be made to the Medical Review Officer (MRO) within 72 hours of notice of the initial test result. Requests after 72 hours will only be accepted if the delay was due to documentable facts that were beyond the control of the employee.

G. EMPLOYEE ASSESSMENT

Any employee who tests positive for the presence of controlled substances or whose breath alcohol concentration is above the minimum thresholds set forth in this policy will be assessed by a SAP. A SAP is a licensed physician, psychologist, social worker, employee assistance professional, or addiction counselor with knowledge of and clinically experienced in the diagnosis and treatment of alcohol related disorders. The SAP will evaluate each employee to determine what assistance, if any, the employee needs in resolving problems associated with prohibited substance abuse or misuse. An employee who has tested positive for controlled substances or alcohol and who refuses to meet with the SAP for evaluation, or to participate in any rehabilitation recommended by the SAP, shall be subject to immediate termination.

If an employee is returned to duty following rehabilitation, they must agree to and sign an SAP agreement (and where applicable, a Return to Work Agreement), pass a return-to-duty controlled substance and/or alcohol test and be subject to unannounced follow-up tests for a period of one to five years, as determined by the SAP. The cost of any rehabilitation and subsequent controlled substance and/or alcohol testing recommended by the SAP is borne by the employee, except as may be covered by the Employee's group health insurance, if available. Costs of additional District ordered "on demand" testing as part of a Return-to-Work Agreement shall be borne by the District. An Employee will be immediately terminated if 3

on the occurrence of a second verified positive test result within five years of an initial verified positive test result. Employees may use available protected leaves (e.g. FMLA, CFRA, ADA/FEHA) to participate in the prescribed rehabilitation program and may utilize accumulated sick leave, vacation, and compensatory time off, if any, as wage replacement during such leave. Employees who exhaust leave balances shall be placed on an approved leave of absence without pay.

H. CONTACT PERSON

Employees with any questions regarding this policy should contact the following Human Resources representative:

Name: Human Resources
Address: Post Office Box 139, Tahoe Vista, CA 96148
Telephone: (530) 546-4212

I. DEFINITIONS

ACCIDENT - means an unintended happening or mishap where there is loss of human life (regardless of fault), bodily injury or significant property damage.

ALCOHOL - means the intoxicating agent in beverage alcohol, ethyl alcohol or other low molecular weight alcohol including methyl or isopropyl alcohol.

ALCOHOL CONCENTRATION - means the alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test under this regulation. For example, 0.05 means 0.05 grams of alcohol in 210 liters of expired deep lung air.

ALCOHOL USE - means consumption of any beverage, mixture, or preparation, including any medication containing ethyl alcohol. Since ingestion of a given amount of alcohol produces the same alcohol concentration in an individual whether the alcohol comes from a mixed drink or cough syrup, this policy prohibits the use of any substance containing alcohol, such as prescription or over-the-counter medication or liquor-filled chocolates. Prescription medications containing alcohol may have a greater impairing affect due to the presence of other elements (e.g., antihistamines).

BREATH ALCOHOL TECHNICIAN (BAT) - means a person trained to proficiency in the operation of the Evidential Breath Testing (EBT) device that the technician is using in the alcohol testing procedures. EBT are the only qualified personnel to administer the EBT tests.

CHAIN OF CUSTODY - means the procedures to account for the integrity of each urine specimen by tracking its handling and storage from point of collection to final disposition.

COLLECTION SITE - means a place designated by the District where individuals present themselves for the purpose of providing a specimen of either urine and/or breath.

CONFIRMATION TEST - for alcohol testing means a second test, following a screening test with a result of 0.05 or greater, that provides quantitative data of alcohol concentration. For controlled substances testing this means a second analytical procedure to identify the presence of a specific drug or metabolite which is independent, of the screen test and which uses a different technique and

chemical principle from that of the screen test in order to ensure reliability and accuracy. (Gas chromatography/mass spectrometry (CGIMS) is the only authorized confirmation method of cocaine, marijuana, opiates, amphetamines, and phencyclidine.)

CONTROLLED SUBSTANCE (DRUG) TEST - A method of detecting and measuring the presence of alcohol and other controlled substances, whether legal or illegal, in a person's body. A controlled substance test may be either an initial test or confirmation test. An initial controlled substance test is designed to identify specimens having concentrations of a particular class of drug above a specified concentration level. It eliminates negative specimens from further consideration.

Controlled substances will be tested under the Department of Health and Human Services guidelines. **The primary controlled substance test thresholds for a verified positive test result are those that are equal to or greater than:**

Alcohol	0.05	grams
Marijuana Metabolites (THC)	50	ng/ml
Cocaine Metabolites	300	ng/ml
Phencyclidine (PCP)	25	ng/ml
Opiates Metabolites (1)	2000	ng/ml
Amphetamines	1000	ng/ml
1.25 ng/ml if immunoassay		

A confirmation drug testing is a second analytical procedure to detect the presence of a specific drug or its metabolite. The confirmation procedure is conducted independent of the initial test and uses a different technique and chemical principle in order to confirm reliability and accuracy. **The confirmatory controlled substance test thresholds for a verified positive test result are those that are equal to or greater than:**

Alcohol	0.04	grams
Marijuana Metabolites (THC) (1)	15	ng/ml
Cocaine Metabolites	150	ng/ml
Phencyclidine (PCP)	25	ng/ml
Opiates Metabolites	2000	ng/ml
Morphine	2000	ng/ml
Codeine	2000	ng/ml
6-Acetylmorphine (3)	10	ng/ml
Amphetamines	1000	ng/ml
Amphetamine	500	ng/ml
Methamphetamine (3)	500	ng/ml

1. Delta-9-tetrahydrocannabinol-9-carboxylic acid
2. Benzoyllecgonine
3. Test for 6-Acetylmorphine when morphine concentration exceeds 2000 ng/ml
4. Specimen must also contain amphetamine at a concentration greater than or equal to 200 ng/ml

COVERED EMPLOYEE - means a regular full-time employee, applicant for such a position, or transferee, who performs a function for the District.

DISTRICT - means NORTH TAHOE PUBLIC UTILITY DISTRICT.

DISTRICT TIME - means any period of time in which the employee is actually performing, ready to perform, or immediately available to perform any functions for the District.

DRUG (CONTROLLED SUBSTANCE) METABOLITE - means the specific substance produced when the human body metabolizes (changes) a given drug (controlled substance) as it passes through the body and is excreted in urine.

EVIDENTIAL BREATH TESTING DEVICE (EBT) - means the device to be used for breath alcohol testing.

MEDICAL REVIEW OFFICER (MRO) - means a licensed physician responsible for analyzing laboratory results generated by an employer's controlled substance (drug) testing program. The MRO is knowledgeable about substance abuse disorders and has appropriate medical training to interpret and evaluate positive or negative drug and alcohol test results.

PERFORMING (JOB FUNCTION) – means an employee is considered to be performing a job function and includes any period in which the employee is actually performing, ready to perform, or immediately available to perform such functions.

POST-ACCIDENT ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted after accidents on employees whose performance could have contributed to the accident. See Accident.

PRE-EMPLOYMENT CONTROLLED SUBSTANCE TESTING - conducted before applicants are hired or after an offer to hire, but before actually performing job functions for the first time. The District will not screen for marijuana metabolites on pre-employment controlled substance tests.

PROHIBITED DRUGS (CONTROLLED SUBSTANCES) - means Marijuana, Cocaine, Opiates, Amphetamines, or Phencyclidine.

PROHIBITED SUBSTANCES - means and is synonymous to drug abuse and/or alcohol misuse or abuse.

REASONABLE SUSPICION ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted when a trained supervisor observes behavior or appearance that is characteristic of alcohol misuse or controlled substance abuse.

REFUSE TO SUBMIT (TO AN ALCOHOL AND/OR CONTROLLED SUBSTANCE TEST) - means that an employee or applicant fails to provide an adequate breath or urine sample for testing without a valid medical explanation after that employee received notice of the requirement to be tested, or engages in conduct that clearly obstructs the testing process (i.e., verbal declarations, obstructive behavior or physical absence resulting in the inability to conduct the test.)

REHABILITATION - The total process of restoring an employee to satisfactory work performance through constructive confrontation, referral to the SAP and participation in SAP recommendations such as education, treatment and/or support groups to resolve personal, physical, emotional, or mental problems which contributed to job problems

RETURN-TO-DUTY AND FOLLOW-UP ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING –conducted when an individual who has violated the prohibited alcohol or controlled substance conduct standards returns to performing job duties. Follow-up tests are unannounced and at least 6 tests must be conducted in the first 24 months after an employee returns to duty. Follow-up testing may be extended for up to 60 months following return to duty upon the SAP recommendation.

RETURN TO WORK AGREEMENT – Means a written and signed agreement between the employer and the non-safety-sensitive employee which states the terms of testing following a return to work after a verified positive test for a controlled substance or alcohol and the consequences of a future positive test.

EMPLOYEE (FUNCTION AND/OR POSITION) - An employee is considered to be performing a job function during any period in which that employee is actually performing, ready to perform, or immediately available to perform any job functions.

SAP AGREEMENT - means a document agreed to and signed by the employer, employee and the Substance Abuse Professional that outlines the terms and conditions under which the non-safety-sensitive employee may return to duty after having had a verified positive controlled substance test result or an alcohol concentration of 0.05 or greater on an alcohol test.

SCREENING (INITIAL) TEST - In alcohol testing, it means an analytical procedure to determine whether an employee may have a prohibited concentration of alcohol in their system. In controlled substance testing, it means an immunoassay screen to eliminate negative urine specimens from further consideration.

SUBSTANCE ABUSE PROFESSIONAL (SAP) - means a licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker (with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol- related disorders, the license alone does not authorize this), Certified Employee Assistance Professional (CEAP), or addiction counselor certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission (NAADAC) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substances-related disorders.

SUPERVISOR - means a person in authority who has had one hour of training on the signs and symptoms of alcohol abuse and an additional hour of training on the signs and symptoms of controlled substance abuse.

VEHICLE - means a bus, truck, van, automobile, rail car, trolley car, trolley bus, or vessel used for operations of the District.

J. PROCEDURES - REASONABLE SUSPICION TESTING

1. An employee who may possibly be under the influence of alcohol and/or controlled substances is observed by a supervisor. When possible, a second

supervisory employee will be present to confirm the reasonable suspicion observations.

Any employee may identify someone suspected of being under the influence of alcohol and/or controlled substance to any supervisor. Employees should realize, however, that it is against District policy to make false or malicious statements about other employees and doing so can result in disciplinary action being taken against the offending employee. However, the supervisor must witness first-hand the employee's signs and symptoms.

2. The supervisor is then obligated to ensure that the matter is immediately investigated. If possible, two supervisors determine (independently or together) that the employee in question may indeed be under the influence of alcohol and/or controlled substances.
3. When the supervisor(s) suspect and believe that the employee may be under the influence of alcohol and/or controlled substances, the employee is then immediately suspended from duty (with pay) and driven by District staff (or others designated) to the District specified collection site. Because of a testing facility requirement, the employee in question must show proof of identification, such as a photo driver's license or state-issued photo identification card.
Whenever practical, an Administrator should be notified in advance of the employee being taken to the collection site.
4. At the collection site, the employee will be required to submit a urine sample in the event that controlled substances are suspected or a breath sample in the event that alcohol intoxication is suspected to the on-duty technician. Care will be taken to provide the employee with maximum privacy without compromising the integrity of the sample.
5. The District will take precautions to prevent the employee being tested from going back to work and driving their own car home. Instead, the employee will be given assistance in obtaining a ride home from the collection site.
6. The employee whose alcohol test results are negative (less than 0.05 alcohol concentration) will be reinstated. The employee, whose alcohol confirmation test results indicate an alcohol concentration greater than 0.05 will not be permitted to return to duty or perform a function for 24 hours after administration of the test. The employee whose alcohol confirmation test result indicates an alcohol concentration of 0.05 or greater for alcohol will be referred to a District specified outside SAP who will assess the employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the employee's termination.
7. The employee whose controlled substance test results are verified negative will be reinstated. The employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside SAP who will assess the employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the employee's termination.

K. PROCEDURES - POST ACCIDENT

1. The employee notifies a supervisor that an accident has occurred.
2. The supervisor determines that the circumstances of the accident warrant a post-

accident test when an accident results in injuries requiring transportation to a medical treatment facility; or where one or more vehicles incurs disabling damage that requires towing from the site; or if the employee receives a citation under State or local law for a moving traffic violation arising from the accident, or a fatality occurred. Thereafter, the supervisor will provide a ride to the testing site and directs the employee to immediately go to the collection site for alcohol and controlled substance testing. Because of a testing facility requirement, the employee in question must have proof of identification, such as a photo driver's license or state-issued photo identification card.

3. At the collection site, the employee will be required to submit a urine sample for controlled substances and a breath sample for alcohol testing to the on-duty technician. Care will be taken to provide the employee with maximum privacy without compromising the integrity of the sample.
4. An Administrator will be notified that an accident has occurred and that the employee was instructed to go to the collection site.
5. The employee whose alcohol test results are negative (less than 0.05 alcohol concentration) will be reinstated. The non-safety-sensitive employee, whose alcohol confirmation test results indicate an alcohol concentration greater than 0.05 will not be permitted to return to duty or perform any duties for 24 hours after administration of the test. The non-safety-sensitive employee whose alcohol confirmation test result indicates an alcohol concentration of 0.05 or greater for alcohol will be referred to a District specified outside SAP who will assess the employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the employee's termination.
6. The employee whose controlled substance test results are verified negative will be reinstated. The employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside SAP who will assess the employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the employee's termination.

L. PROCEDURES - RETURN-TO-DUTY and FOLLOW-UP

1. The supervisor notifies the employee to immediately go to the collection site for alcohol and controlled substance testing. Because of a testing facility requirement, the employee in question must have proof of identification, such as a photo driver's license or government-issued photo identification card.
2. At the collection site, the employee will be required to submit a urine sample for controlled substances and a breath sample for alcohol testing to the on-duty technician. Care will be taken to provide the employee with maximum privacy without compromising the integrity of the sample.
4. The employee whose confirmation test results indicate an alcohol concentration greater than 0.05 or whose controlled substance test is verified positive will be terminated.

M. PROCEDURES - CHAIN OF CUSTODY FOR CONTROLLED SUBSTANCE SPECIMENS

1. At the time a specimen is collected, the employee will be given a copy of the specimen collection procedures.
2. Urine will be in a wide-mouthed clinic specimen container which will remain in full view of the employee until split, transferred to, sealed and initialed in two tamper-resistant urine bottles.
3. Immediately after the specimens are collected, the urine bottles will, in the presence of the employee, be labeled and then initialed by the employee. If the sample must be collected at the site other than the controlled substance and/or alcohol testing laboratory, the specimens will then be placed in the transportation container. The container will be sealed in the employee's presence and the employee will be asked to initial or sign the container. The container will be sent to the designated testing laboratory on that day or the earliest business day by the fastest available method.
4. A chain of custody form will be completed by the on-duty technician during the specimen collection process and attached to and mailed with the specimen.

N. PROCEDURES - SPECIMEN COLLECTION OF STRANGE AND/OR UNRECOGNIZABLE SUBSTANCES

1. An employee is observed with a strange and/or unrecognizable substance.
2. The supervisor, in the presence of a witness, places the strange and/or unrecognizable substance into a clear plastic bag. The bag is sealed, labeled, and signed by both the supervisor and a witness.
3. An incident report is made and signed by both the supervisor and a witness.
4. The plastic bag containing the specimen, and a copy of the incident report is taken to the collection site for transportation to the laboratory for analysis.

O. PROCEDURES - ALCOHOL CONCENTRATION/CONFIRMATION

1. The employee and the on-duty Breath Alcohol Technician (BAT) complete the alcohol testing form to ensure that the results are properly recorded.
2. After an explanation of how the breathalyzer works, an initial breath sample is taken
3. If the results of the initial test show an alcohol concentration of 0.05 or greater a second or confirmation test must be conducted. The confirmation test must not be conducted less than 15 minutes after, or more than 20 minutes after the screening test.
4. The confirmation test will utilize an Evidential Breath Testing device that prints out the results, date and time, a sequential test number, and the name and serial number of the Evidential Breath Testing device to ensure the reliability of the results.

APPENDIX D DRUG AND ALCOHOL POLICY (NON-SAFETY SENSITIVE)

1. PURPOSE.

To clearly define Employer Policy on drug and alcohol abuse, drug testing, and related matters.

2. POLICY.

The Employer and the Union are committed to protecting the health and safety of individual employees, their co-workers, and the public at large from the hazards caused by the misuse of drugs and alcohol on the job. The safety of the public, as well as the safety of fellow employees, dictates that employees not be permitted to perform their duties while under the influence of drugs or alcohol.

The Employer and the Union recognize that drug and alcohol abuse are treatable illnesses, and the preferable and proper response to these illnesses is education, treatment and rehabilitation, rather than punishment. It is therefore the Employer's policy to initially attempt rehabilitation rather than terminate the employment of workers who are drug or alcohol abusers. No bargaining unit member shall be discharged for drug or alcohol use, or being under the influence of drugs or alcohol on the job, without first having been offered the opportunity to discontinue use either through personal choice or by treatment for chemical dependency, if such treatment is needed.

3. APPLICATION.

This policy applies to all employees of and all applicants for positions with the Employer. This policy applies to alcohol and to all controlled or illegal drugs, which could impair an employee's ability to perform the functions of the job effectively and safely.

4. POLICY RULES.

A. An employee shall not work under the influence of any drug or alcohol which impairs his/her ability to safely and efficiently perform the required duties of the position.

B. An employee shall not purchase, possess, use, sell, or furnish alcoholic beverages during the course or performance of his/her assigned duties. Under no circumstances shall an employee report to the work site under the influence of an alcoholic beverage.

C. An employee shall not purchase, possess, use, sell, furnish, or be under the influence of any drug during the course or performance of his/her assigned duties.

D. An employee shall not purchase, possess, use, be under the influence of, sell, or furnish any prescription drug during assigned work hours, or while on duty or while using Employer equipment unless the prescription was issued by authorized medical personnel and the employee follows the prescription instructions;

E. An employee shall within five (5) days report to the appointing authority any criminal conviction for drug-related activity in the work place.

5. TERMS/DEFINITIONS.

A. Drugs - For the purpose of this policy, drugs shall be Amphetamine Group, Cocaine, Opiates, Phencyclidine and Marijuana.

B. Prescription Drug - A drug lawfully available for retail purchase only with a prescription.

C. Reasonable Cause - Reasonable cause shall exist only when two supervisors, who are trained in detection of drug use, can substantiate in writing specific behavioral, performance or contemporaneous physical indicators of being under the influence of drugs or alcohol on the job. The objective indicators shall be recognized and accepted symptoms of intoxication or impairment caused by drugs or alcohol, and shall be indicators not reasonably explained as resulting from causes other than the use of such controlled substances (such as, but not by way of limitation, fatigue, lack of sleep, side effects of prescription or over-the-counter medications, reaction to noxious fumes or smoke, etc.). Cause is not reasonable, and thus not a basis for testing, if it is based solely on the observations and reports of third parties. The grounds for reasonable cause must be documented by the use of an Incident Report Form (see Form A attached).

The following may constitute reasonable cause to believe that an employee is under the influence of drugs or alcohol:

- 1) Incoherent, slurred speech;
- 2) Odor of alcohol on the breath;
- 3) Staggering gait, disorientation, or loss of balance;
- 4) Red and watery eyes, if not explained by environmental causes;
- 5) Paranoid or bizarre behavior;
- 6) Unexplained drowsiness.

D. Post-Accident Testing. Employees will be required to undergo controlled substance and/or breath alcohol testing if they are involved in an accident with a District vehicle that results in a fatality. This includes all employees who are on duty in the vehicles and any other whose performance could have contributed to the accident. In addition, a post-accident test will be conducted if an accident results in injuries requiring transportation to a medical treatment facility; or where one or more vehicles incurs disabling damage that requires towing from the site; and the employee receives, a citation under State or local law for a moving traffic violation arising from the accident. Following an accident the employee will be tested as soon as possible, but not to exceed eight hours for alcohol and 32 hours for controlled substances. Any employee who leaves the scene of the accident without appropriate authorization prior to submission to controlled substance and alcohol testing will be considered to have refused the test and will be subject to termination. Post-accident testing of employees will include any other covered employees whose performance could have contributed to the accident.

6. PRIOR NOTICE OF TESTING POLICY.

The Employer shall provide written notice of its Drug and Alcohol Policy to all employees and job applicants. The Employer shall provide each employee with a copy of the Drug and Alcohol Policy, together with a full explanation as to its meaning and consequences.

7. IDENTIFICATION AND CONSENT PROCEDURES.

A. An employee may be required to submit to urine drug or alcohol testing by a physician or laboratory only if management has reasonable cause that the employee is under the influence of drugs or alcohol in violation of this policy. The Employer may order urine testing only.

B. If a supervisor makes observations of an employee which the supervisor believes may constitute reasonable cause for drug or alcohol testing, the supervisor shall immediately inform the employee of the suspicions, and inform the employee that he/she may have a Union representative present. If the employee wishes not to have a Union representative, then that desire should be put in writing, and signed off by the employee, on the Incident Report Form.

C. If the two trained supervisors believe that there is reasonable cause for a drug or alcohol urine test, then the Incident Report Form shall be filled out, including a statement of the specific objective facts constituting reasonable cause for the test, and the names of the persons making those observations.

D. A completed copy of this Incident Report Form shall be given to the bargaining unit employee before he/she is required to be tested, and one copy made available to the Union representative, if present. After being given a copy of the Incident Report Form, the bargaining unit employee shall be allowed enough time to read the entire document, and to understand the reasons for the test.

E. The employee will be offered an opportunity to give an explanation of his/her condition, such as reaction to a prescribed drug, fatigue, lack of sleep, exposure to noxious fumes, reaction to over-the-counter medication or illness. The Union representative shall be present during such explanation and shall be entitled to confer with the employee before the explanation is requested.

If the supervisor, after observing the employee, concludes that there is in fact reasonable cause to believe that the employee is under the influence of drugs or alcohol, then, by a written order signed by the supervisor, the employee may be ordered to submit to a urine drug test. The employee shall be informed that refusal to submit to testing may constitute a presumption of intoxication. This presumption will be raised if the Employer had reasonable cause to require a urine drug test in the first place.

F. Prior to the actual drug testing, the employee will be examined by a medical doctor at the designated hospital, laboratory or clinic. This examination will be conducted to determine if the supervisors' observations are caused by a reason other being under the influence of drugs and/or alcohol. If the opinion of the medical doctor is that the supervisors' observations are for a reason other than possible influence of drugs and/or alcohol, no test will be given, and the employee will be returned to the work place without loss of pay. If the medical doctor releases the employee to return to work, such release must be in writing.

Failure to follow any of these procedures shall result in the elimination of the test results as if no test had been administered; the test results shall be destroyed and no discipline shall be imposed against the bargaining unit employee.

G. Before a drug and alcohol test is administered, employees and job applicants will be asked to sign a consent form authorizing the clinic or laboratory to obtain a urine specimen. On a separate form, the employee will be asked to release the results of the testing to the General Manager and to Human Resources Representative. The consent form shall provide space for employees and applicants to indicate current or recent use of prescription or over-the-counter medication.

H. Unless there is an objective reason to believe that the employee has previously altered a sample, or unless the employee agrees in writing, individuals shall be allowed to provide the required specimen in the privacy of a stall or otherwise partitioned area.

I. A job applicant who refuses to consent to a drug or alcohol test will be denied employment for a period of three months.

J. An employee who refuses to consent to a drug or alcohol test shall not be subject to disciplinary action for that refusal. However, the fact of the refusal shall constitute a rebuttable presumption that the employee was under the influence of drugs and or alcohol at the time of the order to submit to the urine test.

8. DRUG TESTING PROCEDURES.

A. The testing shall be done by a laboratory licensed and certified by the California Department of Health Services, Laboratory Field Services, as a medical and forensic laboratory which complies with the Scientific and Technical Guideline for Federal Drug Testing Programs and the standards for certification of laboratories engaged in urine drug testing for Federal Agencies issued by the Alcohol, Drug Abuse and Mental Health Administration of the United States Department of Health and Human Services, and which is chosen jointly by the Union and the Employer. The parties also retain the right to audit and inspect the laboratory to determine conformity with the standards described in this policy.

B. At the time the urine specimens are collected, three separate samples shall be placed in separate containers. All samples must be immediately sealed in the presence of an Employer and Union witness, if present, with evidence tape, and the tape signed by the employee and both witnesses. Two samples, each in a separate container, shall be sent to the laboratory to be tested at the Employer's expense. In order to be considered positive, both samples shall be tested separately in separate batches and show positive results on the GC-MS confirmatory test. The third sample or specimen shall be collected in a separate container, and shall be kept refrigerated at the site where the sample is given. This third sample shall be made available to the employee for testing by a laboratory selected by the employee at the employee's expense, provided that the laboratory chosen by the employee must be licensed by the California Department of Health Services, Laboratory Field Services. The cost of testing the third sample shall be borne by the employee or applicant.

C. The specific required procedure is as follows:

1. Urine shall be obtained directly in a tamper-resistant urine bottle. Alternatively, the urine specimen may be collected at the employee's option in a wide-mouthed clinic specimen container which shall remain in full view of the employee until transferred to, sealed and initialed in separate tamper-resistant urine bottles.

2. Immediately after the specimen is collected, the urine bottle shall, in the presence of the employee, be labeled and then initialed by the employee and witnesses. If the sample must be collected at a site other than the drug and/or alcohol-testing laboratory, the specimen shall then be placed in a transportation container. The container shall be sealed in the employee's presence and the employee shall be asked to initial or sign the container. The container shall be sent to the designated testing laboratory on that day or the earliest business day by the fastest available method. The same procedure shall be followed for a blood test.

3. A chain of possession form shall be completed by the hospital, laboratory and/or clinic personnel during the specimen collection and attached to and mailed with the specimen.

D. The initial test of the urine specimen shall utilize immunoassay techniques. The following standards shall be used to determine what levels of detected substances shall be considered as positive:

SUBSTANCE SCREENING TEST CONFIRMATION

<u>Drug Class</u>	<u>Initial Test</u>	<u>GC/MS Confirmatory</u>
AMPHETAMINES AMPHETEMINES (AMP) METHAMPHETEMINE	1000 ng/ml	500 ng/ml 500 ng/ml
COCAINE METABOLITES (COC)	300 ng/ml	150 ng/ml
OPIATES (OP12K) MORPHINE CODEINE 6-ACETYLMORPHINE	2000 ng/ml	2000 ng/ml 2000 ng/ml 10 ng/ml
PHENCYCLIDINE (PCP)	25 ng/ml	25 ng/ml
MARIJUANA METABOLITES	50 ng/ml	15 ng/ml
ETHYL ALCOHOL	0.05 g/dl	0.05 g/dl

D. All specimens identified as positive in the initial screen shall be confirmed utilizing gas chromatograph/y mass spectrometry (GC/MS) technique which identifies at least ten (10) ions. All information shall be by quantitative analysis.

E. If the testing procedures confirm a positive result, as described above, the employee or applicant shall be notified of the results in writing by the General Manager or Human Resources, including the specific quantities. If requested, the Employer will also provide the names of all the persons who were involved in the testing procedure and the preparation of the laboratory reports and forensic expert opinions. Employer will also provide, if requested, copies of all laboratory reports, forensic opinions, laboratory worksheets, procedure sheets, acceptance criteria and laboratory procedures; and all real evidence including the specimen collection kit.

F. All specimen confirmed positive shall be retained and placed in properly secured long-term frozen storage for a minimum of one (1) year, and be made available for retest as part of any administrative proceedings.

G. All information from an employee's or applicant's drug and alcohol test is confidential for purposes other than determining whether the Employer policy has been violated. Disclosure of test results to any other person, agency, or organization is prohibited unless written authorization is obtained from the employee or applicant. The results of a positive drug test shall not be released until the results are confirmed.

H. Every effort will be made to insure that all employee substance abuse problems will be discussed in private and actions taken will not be made known to anyone other than those directly involved in taking the action, or who are required to be involved in the disciplinary procedure.

I. There will be one person in the human resources department who will be designated to receive testing results. He/she will notify other managers of the District strictly on a need-to know basis.

J. No laboratory or medical reports or test results shall appear in an employee's personnel folder. Information of this nature will be included in the medical file. The personnel folder will contain a marker to show that this information is contained elsewhere. All necessary measures shall be taken to keep the fact and the results of the test confidential.

9. CONSEQUENCES FOR VIOLATING THE RULES AND PROVISIONS OF THIS POLICY

A. Applicants: Job applicants will be denied employment with the Employer if their initial positive test results have been confirmed. Applicants will be informed in writing if they are rejected on the basis of a confirmed positive drug test result. The period of employment exclusion will last for three (3) months, and any applicant is free to reapply after that time.

B. Employees: If the result of the urine test administered by the Employer on the two samples shows that the employee was under the influence of drugs or alcohol while on duty, the appropriate disciplinary action may be imposed by the Employer after the following procedure has been followed:

1) The employee and the Union shall be presented with a copy of the laboratory report of both specimens before any discipline is imposed. The Union and the employee shall then have five (5) days to present the Employer any different results from the test of the third sample, conducted by a laboratory selected by the employee (The failure of the Union or employee to have the third test performed or to present the results to the Employer shall not be used against the employee in any arbitration proceeding.)

2) After considering the results of the third test performed by the employee, if presented, the Employer may discipline the employee provided that any discipline imposed for the first offense in any 24 month period and any grievance filed in response thereto shall be held in abeyance pending voluntary completion by the employee of a substance abuse treatment program mutually agreed upon between the Employer, and the employee, the cost of which shall be borne by the employee except as provided by the Employer's group health insurance as any other illness.

3) If the employee successfully completes such a program and is not disciplined for substance abuse for 24 months following the initial charge, the discipline shall be revoked and shall not be used as the basis for any other disciplinary action in the future.

4) If an employee's positive test result has been confirmed, the employee is subject to disciplinary action under the terms described above, up to and including termination. Among the factors to be considered in determining the appropriate disciplinary response are the nature and requirements of the employee's work, length of employment, current job performance, the specific results of the test, and the history of past disciplinary actions.

10. EMPLOYEE TRAINING.

The Employer will establish a Drug Free Awareness Program which will inform employees about: (1) the dangers of alcohol and drug abuse in the work place; (2) the Employer's policy of drug and alcohol abuse; (3) the availability of treatment and counseling for employees who voluntarily seek such assistance; and (4) the sanctions the Employer will impose for violations its Drug and Alcohol Abuse Policy.

11. SUPERVISOR TRAINING.

The Employer shall provide training to assist supervisors in identifying factors which constitute reasonable cause for drug testing, as well as a detailed explanation and emphasis on the terms and conditions of the drug policy.

12. EMPLOYEE ASSISTANCE PROGRAM.

A) An employee who engages in drug/alcohol abuse is encouraged to participate in the Employee Assistance Program. Employees who seek voluntary assistance for alcohol and or substance abuse may not be disciplined for seeking such assistance. Request by employees for such assistance shall remain confidential and shall not be revealed to other employees or management personnel without the employee's consent. Such participation shall not relieve an employee of the obligation to follow the Employer Policy regarding drug/alcohol use, possession, or being under the influence on the job. An Employee Assistance Program Counselor shall not disclose information on drug/alcohol use received from an employee for any purpose or under any circumstances, unless specifically authorized in writing by the employee.

B) Employees shall be given the best available treatment through established benefit plans and health insurance coverage. Options that have proved of value include:

1) Where there is no evidence of dependency, 20 to 40 hours of instruction in the biologic effects of alcohol and drugs, symptoms of chemical dependency, and the methods of treatment for chemical dependency;

2) Where an individual has developed a pattern of dependence on drugs or alcohol, but has the ability to discontinue use for a period of time, an outpatient program which is usually of 4 to 6 weeks duration, and which adds group and individual counseling in support to the educational program noted above. Such programs are effective, less expensive than residential programs, and are normally adequate in early chemical dependence;

3) Where an individual cannot discontinue use long enough to make progress in outpatient treatment, or has returned to drug or alcohol use following outpatient treatment, inpatient treatment of 3 to 6 weeks in length and continuing care following discharge for 6 to 12 weeks providing individualized and intensive medical, psychological and environmental care not possible in the outpatient setting may be required.

C) An employee who self admits and needs inpatient care may request a leave of absence of up to 60 days, subject to extension by mutual agreement, without pay (except that employees may use their sick leave, vacation and CTO balances) and without loss of any seniority, for the purpose of personal rehabilitation. The employer will make every effort to accommodate this request.

D) Employees who previously failed a controlled substance or alcohol test and who took a leave of absence to participate in an in-patient program that required them to be off work for a minimum of 30 days must submit to a return to duty test and test negative prior to returning to duty at the District.

13. GRIEVANCE PROCEDURE.

All disputes concerning the interpretation or application of this drug and alcohol abuse and drug testing policy will be subject to the grievance and arbitration procedure of the collective bargaining agreement.

INCIDENT REPORT FORM "A"

Employee/s involved _____ Date of Incident _____

_____ Time of incident _____

Location of incident _____

Employee's Job Position/Assignment _____

Has employee been notified of his/her right to Union representation? _____

Time _____ Employee's initials _____

Witness to incident: _____

What Was Observed? _____

What is Employee's Explanation? _____

Action Recommended: _____

Action taken: _____

Signatures:

Name & Title of Employer Representative: _____

Name & Job Classification of Employee: _____

Name & Title of Union Representative: _____

Date/Time/Action taken: _____

CONSENT FOR URINE TEST FOR DRUGS AND/OR ALCOHOL

I, (name) _____ understand that my Employer has adopted a Drug and Alcohol Policy which allows for urine drug and or alcohol testing for reasonable cause. I have been requested to give a urine specimen which will be tested for the presence of Cocaine, Opiates, Phencyclidine, Marijuana, the Amphetamine Group and Ethyl Alcohol.

I may refuse to provide a urine sample, but disciplinary action by the District, up to and including discharge may result if a sample is not provided.

All charges for this urine test for drugs and/or alcohol will be paid for by the District, and not me.

I am presently taking the following medicines or prescription drugs:

I have read, understand and agree to the above.

Date _____ Time: _____

Employee: _____

Employee Witness: _____

**APPENDIX D
SENSITIVE)**

DRUG AND ALCOHOL SUBSTANCE ABUSE POLICY (NON-SAFETY

1. PURPOSE.

~~To clearly define Employer Policy on drug and alcohol abuse, drug testing, and related matters.~~
The purpose of this policy is to clearly define North Tahoe Public Utility District (Employer) Policy on non-safety sensitive employee and applicant drug and alcohol use, abuse, drug testing, and related matters as it applies to employment and to protect our employees and the public from risks posed by the use of alcohol and controlled substances.

2. POLICY.

NORTH TAHOE PUBLIC UTILITY DISTRICT recognizes that the use of alcohol and/or controlled substances, including marijuana and cannabis, in the workplace is not conducive to safe working conditions. In order to promote a safe, healthy and productive work environment for all employees, it is the objective of the District to have a work force that is free from the influence of alcohol and controlled substances. This policy defines prohibited conduct, testing requirements and procedures, and rehabilitation and return-to-work requirements.

~~The Employer and the Union are committed to protecting the health and safety of individual employees, their co-workers, and the public at large from the hazards caused by the misuse of drugs and alcohol on the job. The safety of the public, as well as the safety of fellow employees, dictates that employees not be permitted to perform their duties while under the influence of drugs or alcohol.~~

A. APPLICABILITY

~~The Employer and the Union recognize that drug and alcohol abuse are treatable illnesses, and the preferable and proper response to these illnesses is education, treatment and rehabilitation, rather than punishment. It is therefore the Employer's policy to initially attempt rehabilitation rather than terminate the employment of workers who are drug or alcohol abusers. No bargaining unit member shall be discharged for drug or alcohol use, or being under the influence of drugs or alcohol on the job, without first having been offered the opportunity to discontinue use either through personal choice or by treatment for chemical dependency, if such treatment is needed.~~

3. APPLICATION.

~~This policy applies to all non-safety-sensitive employees of the District and all applicants for positions with the Employer. This policy applies to alcohol and to all controlled or illegal drugs, which could impair an employee's ability to perform the functions of the job effectively and safely, such positions. It applies to off-site lunch periods and breaks when a non-safety-sensitive employee is scheduled to return to work. Applicants are governed by this policy while on District premises, and they will not be permitted to conduct business if found to be in violation of this policy.~~

4. POLICY RULES.

A non-safety-sensitive employee is defined as any employee not having nor using a Class "A" or Class "B" commercial driver's license as required by their job description. Class "A" or Class "B" commercial drivers are subject to Appendix C – Substance Abuse Policy (Safety Sensitive).

~~A. An employee shall not work under the influence of any drug or alcohol which impairs his/her ability to safely and efficiently perform the required duties of the position.~~

This policy does not apply to Seasonal Employees. Seasonal Employees are subject to the District's Seasonal Employee Drug and Alcohol Testing Policy.

~~B. An employee shall not purchase, possess, use, sell, or furnish alcoholic beverages during the course or performance of his/her assigned duties. Under no circumstances shall an employee report to the work site under the influence of an alcoholic beverage.~~

B. PROHIBITED SUBSTANCES

“Prohibited substances” addressed by this policy include the following:

~~C. An employee shall not purchase, possess, use, sell, furnish, or be under the influence of any drug during the course or performance of his/her assigned duties.~~

Drugs:

Amphetamines, opiates, phencyclidine (PCP), cocaine, and Marijuana (psychoactive metabolites only).

Alcohol:

The use of beverages or substances, including any medication, containing alcohol such that it is present in the body at a level in excess of 0.05 while actually performing, ready to perform, or immediately available to perform any District business is prohibited. “Alcohol” is defined as: the intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol, including methyl or isopropyl alcohol.

~~D. An employee shall not purchase, possess, use, be under the influence of, sell, or furnish any prescription drug during assigned work hours, or while on duty or while using Employer equipment unless the prescription was issued by authorized medical personnel and the employee follows the prescription instructions;~~

C. PROHIBITED CONDUCT

Manufacture, Trafficking, Possession, and Use

Any employee engagement in the unlawful manufacture, distribution, dispensing, possession or use of a controlled substance or alcohol on District premises, in District vehicles or while conducting District business off the premises is absolutely prohibited. Violation will result in removal from duty and referral to a Substance Abuse Professional (SAP), as well as potential disciplinary action. Applicant engagement will automatically exclude them from the applicant process and individual will not be considered for District employment.

Impaired/Not Fit for Duty

Any employee who is reasonably suspected of being impaired, under the influence of a prohibited substance, or not fit for duty shall be removed from job duties and be required to undergo a reasonable suspicion controlled substance or alcohol test. Employees failing to pass this reasonable suspicion controlled substance or alcohol test shall remain off duty and be referred to a SAP. A controlled substance or alcohol test is considered positive (failed) if the individual is found to have a quantifiable presence of a prohibited substance in the body above the minimum thresholds defined in the this policy.

~~E. An employee shall within five (5) days report to the appointing authority any criminal conviction for drug-related activity in the work place.~~

5. TERMS/DEFINITIONS.

~~A. Drugs—For the purpose of this policy, drugs shall be Amphetamine Group, Cocaine, Opiates, Phencyclidine and Marijuana.~~

Alcohol Use

No employee may report for duty or remain on duty when his/her ability to perform assigned functions is adversely affected by alcohol or when his/her breath alcohol concentration is 0.05 or greater. No employee shall use alcohol while on duty or while performing functions. No employee shall consume alcohol within four hours of reporting for duty nor during hours that he/she is on call. Violation of this provision is prohibited and will subject the employee to removal from duty and referral to a SAP, as well as potential disciplinary action.

~~B. Prescription Drug—A drug lawfully available for retail purchase only with a prescription.~~

Compliance with Testing Requirements

All employees and applicants are subject to controlled substance testing and breath alcohol testing. Any employee who refuses to comply with a request for testing, who provides false information in connection with a test or who attempts to falsify test results through tampering, contamination, adulteration, or substitution shall be removed from duty immediately and be referred to a SAP. Refusal to submit to a test can include an inability to provide a urine specimen or breath sample without a valid medical explanation, as well as a verbal declaration, obstructive behavior or physical absence resulting in the inability to conduct the test. Any applicant who engages in such conduct shall be excluded from consideration for employment for 12 months.

~~C. Reasonable Cause—Reasonable cause shall exist only when two supervisors, who are trained in detection of drug use, can substantiate in writing specific behavioral, performance or contemporaneous physical indicators of being under the influence of drugs or alcohol on the job. The objective indicators shall be recognized and accepted symptoms of intoxication or impairment caused by drugs or alcohol, and shall be indicators not reasonably explained as resulting from causes other than the use of such controlled substances (such as, but not by way of limitation, fatigue, lack of sleep, side effects of prescription or over the counter medications, reaction to noxious fumes or smoke, etc.). Cause is not reasonable, and thus not a basis for testing, if it is based solely on the observations and reports of third parties. The grounds for reasonable cause must be documented by the use of an Incident Report Form (see Form A attached).~~

Treatment/Rehabilitation Program

An employee with a controlled substance and/or alcohol problem will be afforded an opportunity for treatment in accordance with the following provisions:

1. **Positive Controlled Substance and/or Alcohol Test:** A positive test subjects an employee to discipline up to and including termination. However, a rehabilitation program with a Return-to-Work Agreement is available for employees who have tested positive for a prohibited substance on one occasion or who receive a second verified positive test result more than five years after the first occurrence. Employees who receive a second verified positive test within five years of an initial verified positive test result will be terminated. The duration of any Return-to-Work Agreement shall be concurrent with any program recommended by a SAP, and shall not exceed five (5) years. Rehabilitation program costs and the cost of subsequent controlled substance and/or alcohol testing recommended by the SAP will be paid by the employee (via employee's health insurance coverage, if available, or

out-of-pocket). In addition, the District may require “on demand” testing during the period of a Return-to-Work Agreement at District expense, and shall not exceed ten “on demand” tests per calendar year, unless recommended by the SAP. Participation in and completion of any rehabilitation program recommended by the SAP is mandatory for consideration of a Return-to-Work Agreement. Failure of an employee to attend and/or complete a prescribed program or violation of the terms of a Return to Duty agreement, will result in termination from employment. Prior to return-to-duty testing, an employee must follow the rehabilitation program recommended by the SAP and agree to and sign a SAP Agreement. The duration and frequency of follow-up testing will be determined by the SAP but will not be shorter than one year or longer than five years.

2. Voluntary Admittance: All employees who feel they have a problem with controlled substances and/or alcohol may request leave for voluntary admission to a rehabilitation program administered by a SAP. Requests must be submitted to an Administrator or his/her designee for review. Program costs and subsequent controlled substance and/or alcohol testing costs will be paid by the employee (via employee’s health insurance coverage, if available, or out-of-pocket). An employee failing to complete the program as recommended by the SAP will be subject to removal from their position, which may include termination from employment. An employee completing an SAP recommended rehabilitation program must agree to and sign a Return-to-Duty agreement, pass a return-to-duty controlled substance and/or alcohol test and be subject to up to six (6) unannounced follow-up tests for 24 months following return to duty. A positive result on the return-to-duty test or on the unannounced follow-up tests within a 24-month period will result in termination from employment.

Employees who take leave to participate in a rehabilitation program may use accumulated sick leave, vacation, and compensatory time, if any. For those employees who are eligible, such leave will be designated as leave under applicable statutory medical leave programs (e.g. FMLA, CFRA, ADA/FEHA), and such leaves shall be provided pursuant those programs’ requirements where applicable (e.g. benefit continuation, return-to-work certifications, etc.).

D. NOTIFYING THE DISTRICT OF CRIMINAL DRUG CONVICTION

Pursuant to the “Drug Free Workplace Act of 1988” any employee who fails to immediately notify the District of any criminal controlled substance statute conviction shall be subject to disciplinary action, up to and including termination of employment.

E. PROPER APPLICATION OF THE POLICY

The District is dedicated to assuring fair and equitable application of this Substance Abuse Policy. Therefore, supervisors are required to administer all aspects of the policy in an unbiased and impartial manner. Any supervisor who knowingly disregards the requirements of this policy, or who is found to deliberately misuse the policy with respect to his/her subordinates shall be subject to disciplinary action, up to and including termination.

F. TESTING FOR PROHIBITED SUBSTANCES

Controlled substance and/or alcohol testing will be conducted on employees for reasonable suspicion, following an accident, and prior to employment (applicant testing). In addition, all employees will be tested prior to returning to duty after failing a controlled substance and/or alcohol test. Employees who have returned to duty will be subject to unannounced follow-up tests, as determined by a SAP, and on-demand as part of any Return-to-Work Agreement, which shall not exceed five years duration.

Testing shall be conducted in a manner to assure a high degree of accuracy and reliability and using techniques, equipment, and laboratory facilities which have been approved by the Department of Health and Human Services (DHHS).

The controlled substances that will be tested for include marijuana (psychoactive metabolites only), cocaine, opiates, amphetamines, and phencyclidine (PCP). The test will be considered positive if the controlled substance levels present are above the minimum thresholds set forth below. California laws permitting various uses of marijuana may affect test procedures.

Tests for alcohol concentration will be conducted utilizing an approved Evidential Breath Testing device (EBT) operated by a trained Breath Alcohol Technician (BAT). If the initial test indicated an alcohol concentration of 0.05 or greater, a confirmation test will be performed to confirm the result of the initial test. An employee who has a confirmed alcohol concentration of 0.05 or greater will be removed from his/her position for at least twenty-four hours unless a retest results in an alcohol concentration less than 0.05. An alcohol concentration of 0.05 or greater will be considered a positive alcohol test and in violation of this policy.

Any employee who has a confirmed positive controlled substance or alcohol test will be removed from his/her position, informed of educational and rehabilitation program available, and evaluated by a Substance Abuse Professional (SAP).

The District affirms the need to protect individual dignity, privacy, and confidentiality throughout the testing process.

Employees may be tested under any of the following circumstances:

Pre-Employment Testing

All applicants for year-round classifications shall undergo urine controlled substance testing. Receipt of a satisfactory test result is required prior to employment and failure of a controlled substance test will disqualify the applicant from further consideration for employment for a period of 12 months.

Reasonable Suspicion Testing

All employees will be subject to urine and/or breath testing when there is a reason to believe that controlled substances or alcohol use is adversely affecting job performance. A reasonable suspicion referral for testing will be made on the basis of documented objective, contemporaneous facts and circumstances concerning the appearance, behavior, speech, and body odors of the employee which are consistent with the effects of substance abuse.

The following may constitute reasonable cause to believe that an employee is under the influence of drugs or alcohol:

- 1) Incoherent, slurred speech;
- 2) Odor of alcohol on the breath;
- 3) Staggering gait, disorientation, or loss of balance;
- 4) Red and watery eyes, if not explained by environmental causes;
- 5) Paranoid or bizarre behavior;
- 6) Unexplained drowsiness;
- 7) Occurrence of a serious or potentially serious accident.

Reasonable suspicion determinations will be made by a supervisor who is trained to detect the signs and symptoms of controlled substance and alcohol use and who reasonably concludes that an employee may be adversely affected or impaired in his/her work performance due to prohibited substance abuse or misuse.

Supervisors are required to document their observations and submit them to Human Resources or the General Manager (or designee) prior to transporting the employee to the collection site. Employees subject to a reasonable suspicion test shall be transported to the

collection site by designated management personnel. When possible, a second supervisory employee will be present to confirm the reasonable suspicion observations.

Post-Accident Testing

~~D. Post-Accident Testing.~~ Employees will be required to undergo controlled substance and/or breath alcohol testing if they are involved in an accident with a District vehicle that results in a fatality. This includes all employees who are on duty in the vehicles and any other whose performance could have contributed to the accident. In addition, a ~~post-~~post-accident test will be conducted if an accident results in injuries requiring transportation to a medical treatment facility; or where one or more vehicles incurs disabling damage that requires towing from the site; ~~and/or if~~ the employee receives, a citation under State ~~or~~of local law for a moving traffic violation arising from the accident.

Following an accident, the employee will be tested as soon as possible, but not to exceed eight hours for alcohol and 32 hours for controlled substances. Any employee who leaves the scene of the accident without appropriate authorization prior to submission to controlled substance and alcohol testing will be considered to have refused the test and ~~will be~~ subject to termination. Post-accident testing of employees will include not only the operation personnel, but any other covered employees whose performance could have contributed to the accident.

Return-to-Duty Testing

All employees who previously tested positive on a controlled substance or alcohol test must test negative and be evaluated and released to duty by the SAP before returning to duty. Employees will be required to undergo unannounced follow-up-controlled substance and/or alcohol breath testing following returning to duty. The duration and frequency will be determined by the SAP and the terms of any Return-to Work-Agreement and in any event shall be no longer than five years following return to duty.

Employee Requested Testing (Split Sample)

Any employee who questions the result of a required controlled substance test may request that an additional test be conducted. This additional test may be conducted at the same laboratory or at a different DHHS certified laboratory. The test must be conducted on the split sample that was provided at the same time as the original sample. All costs for such testing are to be paid by the employee unless the second test invalidates the original test. The method of collecting, storing, and testing the split sample will be consistent with the procedures set forth in this policy. The employee's request for a retest must be made to the Medical Review Officer (MRO) within 72 hours of notice of the initial test result. Requests after 72 hours will only be accepted if the delay was due to documentable facts that were beyond the control of the employee.

G. EMPLOYEE ASSESSMENT

Any employee who tests positive for the presence of controlled substances or whose breath alcohol concentration is above the minimum thresholds set forth in this policy will be assessed by a SAP. A SAP is a licensed physician, psychologist, social worker, employee assistance professional, or addiction counselor with knowledge of and clinically experienced in the diagnosis and treatment of alcohol related disorders. The SAP will evaluate each employee to determine what assistance, if any, the employee needs in resolving problems associated with prohibited substance abuse or misuse. An employee who has tested positive for controlled substances or alcohol and who refuses to meet with the SAP for evaluation, or to participate in any rehabilitation recommended by the SAP, shall be subject to immediate termination.

If an employee is returned to duty following rehabilitation, they must agree to and sign an SAP agreement (and where applicable, a Return to Work Agreement), pass a return-to-duty controlled

substance and/or alcohol test and be subject to unannounced follow-up tests for a period of one to five years, as determined by the SAP. The cost of any rehabilitation and subsequent controlled substance and/or alcohol testing recommended by the SAP is borne by the employee, except as may be covered by the Employee's group health insurance, if available. Costs of additional District ordered "on demand" testing as part of a Return-to-Work Agreement shall be borne by the District. An Employee will be immediately terminated on the occurrence of a second verified positive test result within five years of an initial verified positive test result. Employees may use available protected leaves (e.g. FMLA, CFRA, ADA/FEHA) to participate in the prescribed rehabilitation program and may utilize accumulated sick leave, vacation, and compensatory time off, if any, as wage replacement during such leave. Employees who exhaust leave balances shall be placed on an approved leave of absence without pay.

H. CONTACT PERSON

Employees with any questions regarding this policy should contact the following Human Resources representative:

Name: Human Resources
Address: Post Office Box 139, Tahoe Vista, CA 96148
Telephone: (530) 546-4212

I. DEFINITIONS

ACCIDENT - means an unintended happening or mishap where there is loss of human life (regardless of fault), bodily injury or significant property damage.

ALCOHOL - means the intoxicating agent in beverage alcohol, ethyl alcohol or other low molecular weight alcohol including methyl or isopropyl alcohol.

ALCOHOL CONCENTRATION - means the alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test under this regulation. For example, 0.05 means 0.05 grams of alcohol in 210 liters of expired deep lung air.

ALCOHOL USE - means consumption of any beverage, mixture, or preparation, including any medication containing ethyl alcohol. Since ingestion of a given amount of alcohol produces the same alcohol concentration in an individual whether the alcohol comes from a mixed drink or cough syrup, this policy prohibits the use of any substance containing alcohol, such as prescription or over-the-counter medication or liquor-filled chocolates. Prescription medications containing alcohol may have a greater impairing affect due to the presence of other elements (e.g., antihistamines).

BREATH ALCOHOL TECHNICIAN (BAT) - means a person trained to proficiency in the operation of the Evidential Breath Testing (EBT) device that the technician is using in the alcohol testing procedures. EBT are the only qualified personnel to administer the EBT tests.

CHAIN OF CUSTODY - means the procedures to account for the integrity of each urine specimen by tracking its handling and storage from point of collection to final disposition.

COLLECTION SITE - means a place designated by the District where individuals present themselves for the purpose of providing a specimen of either urine and/or breath.

CONFIRMATION TEST - for alcohol testing means a second test, following a screening test with a result of 0.05 or greater, that provides quantitative data of alcohol concentration. For

controlled substances testing this means a second analytical procedure to identify the presence of a specific drug or metabolite which is independent, of the screen test and which uses a different technique and chemical principle from that of the screen test in order to ensure reliability and accuracy. (Gas chromatography/mass spectrometry (CGIMS) is the only authorized confirmation method of cocaine, marijuana, opiates, amphetamines, and phencyclidine.)

CONTROLLED SUBSTANCE (DRUG) TEST - A method of detecting and measuring the presence of alcohol and other controlled substances, whether legal or illegal, in a person's body. A controlled substance test may be either an initial test or confirmation test. An initial controlled substance test is designed to identify specimens having concentrations of a particular class of drug above a specified concentration level. It eliminates negative specimens from further consideration.

Controlled substances will be tested under the Department of Health and Human Services guidelines. **The primary controlled substance test thresholds for a verified positive test result are those that are equal to or greater than:**

<u>Alcohol</u>	<u>0.05</u>	<u>grams</u>
<u>Marijuana Metabolites (THC)</u>	<u>50</u>	<u>ng/ml</u>
<u>Cocaine Metabolites</u>	<u>300</u>	<u>ng/ml</u>
<u>Phencyclidine (PCP)</u>	<u>25</u>	<u>ng/ml</u>
<u>Opiates Metabolites (1)</u>	<u>2000</u>	<u>ng/ml</u>
<u>Amphetamines</u>	<u>1000</u>	<u>ng/ml</u>

1.25 ng/ml if immunoassay

A confirmation drug testing is a second analytical procedure to detect the presence of a specific drug or its metabolite. The confirmation procedure is conducted independent of the initial test and uses a different technique and chemical principle in order to confirm reliability and accuracy. **The confirmatory controlled substance test thresholds for a verified positive test result are those that are equal to or greater than:**

<u>Alcohol</u>	<u>0.04</u>	<u>grams</u>
<u>Marijuana Metabolites (THC) (1)</u>	<u>15</u>	<u>ng/ml</u>
<u>Cocaine Metabolites</u>	<u>150</u>	<u>ng/ml</u>
<u>Phencyclidine (PCP)</u>	<u>25</u>	<u>ng/ml</u>
<u>Opiates Metabolites</u>	<u>2000</u>	<u>ng/ml</u>
<u>Morphine</u>	<u>2000</u>	<u>ng/ml</u>
<u>Codeine</u>	<u>2000</u>	<u>ng/ml</u>
<u>6-Acetylmorphine (3)</u>	<u>10</u>	<u>ng/ml</u>
<u>Amphetamines</u>	<u>1000</u>	<u>ng/ml</u>
<u>Amphetamine</u>	<u>500</u>	<u>ng/ml</u>
<u>Methamphetamine (3)</u>	<u>500</u>	<u>ng/ml</u>

1. Delta-9-tetrahydrocannabinol-9-carboxylic acid
2. Benzoylcegonine
3. Test for 6-Acetylmorphine when morphine concentration exceeds 2000 ng/ml
4. Specimen must also contain amphetamine at a concentration greater than or equal to 200 ng/ml

COVERED EMPLOYEE - means a regular full-time employee, applicant for such a position, or transferee, who performs a function for the District.

DISTRICT - means NORTH TAHOE PUBLIC UTILITY DISTRICT.

DISTRICT TIME - means any period of time in which the employee is actually performing, ready to perform, or immediately available to perform any functions for the District.

DRUG (CONTROLLED SUBSTANCE) METABOLITE - means the specific substance produced when the human body metabolizes (changes) a given drug (controlled substance) as it passes through the body and is excreted in urine.

EVIDENTIAL BREATH TESTING DEVICE (EBT) - means the device to be used for breath alcohol testing.

MEDICAL REVIEW OFFICER (MRO) - means a licensed physician responsible for analyzing laboratory results generated by an employer's controlled substance (drug) testing program. The MRO is knowledgeable about substance abuse disorders and has appropriate medical training to interpret and evaluate positive or negative drug and alcohol test results.

PERFORMING (JOB FUNCTION) – means an employee is considered to be performing a job function and includes any period in which the employee is actually performing, ready to perform, or immediately available to perform such functions.

POST-ACCIDENT ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted after accidents on employees whose performance could have contributed to the accident. See Accident.

PRE-EMPLOYMENT CONTROLLED SUBSTANCE TESTING - conducted before applicants are hired or after an offer to hire, but before actually performing job functions for the first time. The District will not screen for marijuana metabolites on pre-employment controlled substance tests.

PROHIBITED DRUGS (CONTROLLED SUBSTANCES) - means Marijuana, Cocaine, Opiates, Amphetamines, or Phencyclidine.

PROHIBITED SUBSTANCES - means and is synonymous to drug abuse and/or alcohol misuse or abuse.

REASONABLE SUSPICION ALCOHOL AND/OR CONTROLLED SUBSTANCE TESTING - conducted when a trained supervisor observes behavior or appearance that is characteristic of alcohol misuse or controlled substance abuse.

REFUSE TO SUBMIT (TO AN ALCOHOL AND/OR CONTROLLED SUBSTANCE TEST) - means that an employee or applicant fails to provide an adequate breath or urine sample for testing without a valid medical explanation after that employee received notice of the requirement to be tested, or engages in conduct that clearly obstructs the testing process (i.e., verbal declarations, obstructive behavior or physical absence resulting in the inability to conduct the test.)

REHABILITATION - The total process of restoring an employee to satisfactory work performance through constructive confrontation, referral to the SAP and participation in SAP recommendations such as education, treatment and/or support groups to resolve personal, physical, emotional, or mental problems which contributed to job problems

RETURN-TO-DUTY AND FOLLOW-UP ALCOHOL AND/OR CONTROLLED SUBSTANCE

TESTING –conducted when an individual who has violated the prohibited alcohol or controlled substance conduct standards returns to performing job duties. Follow-up tests are unannounced and at least 6 tests must be conducted in the first 24 months after an employee returns to duty. Follow-up testing may be extended for up to 60 months following return to duty upon the SAP recommendation.

RETURN TO WORK AGREEMENT – Means a written and signed agreement between the employer and the non-safety-sensitive employee which states the terms of testing following a return to work after a verified positive test for a controlled substance or alcohol and the consequences of a future positive test.

EMPLOYEE (FUNCTION AND/OR POSITION) - An employee is considered to be performing a job function during any period in which that employee is actually performing, ready to perform, or immediately available to perform any job functions.

SAP AGREEMENT - means a document agreed to and signed by the employer, employee and the Substance Abuse Professional that outlines the terms and conditions under which the non-safety-sensitive employee may return to duty after having had a verified positive controlled substance test result or an alcohol concentration of 0.05 or greater on an alcohol test.

SCREENING (INITIAL) TEST - In alcohol testing, it means an analytical procedure to determine whether an employee may have a prohibited concentration of alcohol in their system. In controlled substance testing, it means an immunoassay screen to eliminate negative urine specimens from further consideration.

SUBSTANCE ABUSE PROFESSIONAL (SAP) - means a licensed physician (Medical Doctor or Doctor of Osteopathy), or a licensed or certified psychologist, social worker (with knowledge of and clinical experience in the diagnosis and treatment of drug and alcohol- related disorders, the license alone does not authorize this), Certified Employee Assistance Professional (CEAP), or addiction counselor certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission (NAADAC) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and controlled substances-related disorders.

SUPERVISOR - means a person in authority who has had one hour of training on the signs and symptoms of alcohol abuse and an additional hour of training on the signs and symptoms of controlled substance abuse.

VEHICLE - means a bus, truck, van, automobile, rail car, trolley car, trolley bus, or vessel used for operations of the District.

~~6. **PRIOR NOTICE OF J. PROCEDURES - REASONABLE SUSPICION TESTING POLICY.**~~

~~The Employer shall provide written notice of its Drug and Alcohol Policy to all employees and job applicants. The Employer shall provide each employee with a copy of the Drug and Alcohol~~

~~Policy, together with a full explanation as to its meaning and consequences.~~

7. IDENTIFICATION AND CONSENT PROCEDURES.

~~A. An employee may be required to submit to urine drug or alcohol testing by a physician or laboratory only if management has reasonable cause that the employee is under the influence of drugs or alcohol in violation of this policy. The Employer may order urine testing only.~~

~~B. If a supervisor makes observations of an employee which the supervisor believes may constitute reasonable cause for drug or alcohol testing, the supervisor shall immediately inform the employee of the suspicions, and inform the employee that he/she may have a Union representative present. If the employee wishes not to have a Union representative, then that desire should be put in writing, and signed off by the employee, on the Incident Report Form.~~

~~C. If the two trained supervisors believe that there is reasonable cause for a drug or alcohol urine test, then the Incident Report Form shall be filled out, including a statement of the specific objective facts constituting reasonable cause for the test, and the names of the persons making those observations.~~

~~D. A completed copy of this Incident Report Form shall be given to the bargaining unit employee before he/she is required to be tested, and one copy made available to the Union representative, if present. After being given a copy of the Incident Report Form, the bargaining unit employee shall be allowed enough time to read the entire document, and to understand the reasons for the test.~~

~~E. The employee will be offered an opportunity to give an explanation of his/her condition, such as reaction to a prescribed drug, fatigue, lack of sleep, exposure to noxious fumes, reaction to over the counter medication or illness. The Union representative shall be present during such explanation and shall be entitled to confer with the employee before the explanation is requested.~~

~~If the supervisor, after observing the employee, concludes that there is in fact reasonable cause to believe that the employee is under the influence of drugs or alcohol, then, by a written order signed by the supervisor, the employee may be ordered to submit to a urine drug test. The employee shall be informed that refusal to submit to testing may constitute a presumption of intoxication. This presumption will be raised if the Employer had reasonable cause to require a urine drug test in the first place.~~

~~F. Prior to the actual drug testing, the employee will be examined by a medical doctor at the designated hospital, laboratory or clinic. This examination will be conducted to determine if the supervisors' observations are caused by a reason other being under the influence of drugs and/or alcohol. If the opinion of the medical doctor is that the supervisors' observations are for a reason other than possible influence of drugs and/or alcohol, no test will be given, and the employee will be returned to the work place without loss of pay. If the medical doctor releases the employee to return to work, such release must be in writing.~~

~~Failure to follow any of these procedures shall result in the elimination of the test results as if no test had been administered; the test results shall be destroyed and no discipline shall be imposed against the bargaining unit employee.~~

~~G. Before a drug and alcohol test is administered, employees and job applicants will be asked to sign a consent form authorizing the clinic or laboratory to obtain a urine specimen. On a separate form, the employee will be asked to release the results of the testing to the General Manager and to Human Resources Representative. The consent form shall provide space for employees and applicants to indicate current or recent use of prescription or over-the-counter medication.~~

~~H. Unless there is an objective reason to believe that the employee has previously altered a sample, or unless the employee agrees in writing, individuals shall be allowed to provide the required specimen in the privacy of a stall or otherwise partitioned area.~~

~~I. A job applicant who refuses to consent to a drug or alcohol test will be denied employment for a period of three months.~~

~~J. 1. An employee who refuses to consent to a drug or alcohol test shall not be subject to disciplinary action for that refusal. However, the fact of the refusal shall constitute a rebuttable presumption that the employee was may possibly be under the influence of drugs and or alcohol at the time of the order to submit to the urine test. alcohol and/or controlled substances is observed by a supervisor. When possible, a second supervisory employee will be present to confirm the reasonable suspicion observations.~~

Any employee may identify someone suspected of being under the influence of alcohol and/or controlled substance to any supervisor. Employees should realize, however, that it is against District policy to make false or malicious statements about other employees and doing so can result in disciplinary action being taken against the offending employee. However, the supervisor must witness first-hand the employee's signs and symptoms.

2. The supervisor is then obligated to ensure that the matter is immediately investigated. If possible, two supervisors determine (independently or together) that the employee in question may indeed be under the influence of alcohol and/or controlled substances.

3. When the supervisor(s) suspect and believe that the employee may be under the influence of alcohol and/or controlled substances, the employee is then immediately suspended from duty (with pay) and driven by District staff (or others designated) to the District specified collection site. Because of a testing facility requirement, the employee in question must show proof of identification, such as a photo driver's license or state-issued photo identification card. Whenever practical, an Administrator should be notified in advance of the employee being taken to the collection site.

4. At the collection site, the employee will be required to submit a urine sample in the event that controlled substances are suspected or a breath sample in the event that alcohol intoxication is suspected to the on-duty technician. Care will be taken to provide the employee with maximum privacy without compromising the integrity of the sample.

5. The District will take precautions to prevent the employee being tested from going back to work and driving their own car home. Instead, the employee will be given assistance in obtaining a ride home from the collection site.

6. The employee whose alcohol test results are negative (less than 0.05 alcohol concentration) will be reinstated. The employee, whose alcohol confirmation test results indicate an alcohol concentration greater than 0.05 will not be permitted to return to duty or perform a function for 24 hours after administration of the test. The employee whose alcohol confirmation test result indicates an alcohol concentration of 0.05 or greater for alcohol will be referred to a District specified outside SAP who will assess the employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the employee. Failure to follow the accepted recommendations or

refusal to submit to return-to- duty and unannounced follow-up testing will result in the employee's termination.

7. The employee whose controlled substance test results are verified negative will be reinstated. The employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside SAP who will assess the employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the employee's termination.

8. DRUG TESTING PROCEDURES - POST ACCIDENT

~~A. The testing shall be done by a laboratory licensed and certified by the California Department of Health Services, Laboratory Field Services, as a medical and forensic laboratory which complies with the Scientific and Technical Guideline for Federal Drug Testing Programs and the standards for certification of laboratories engaged in urine drug testing for Federal Agencies issued by the Alcohol, Drug Abuse and Mental Health Administration of the United States Department of Health and Human Services, and which is chosen jointly by the Union and the Employer. The parties also retain the right to audit and inspect the laboratory to determine conformity with the standards described in this policy.~~

1. The employee notifies a supervisor that an accident has occurred.
2. The supervisor determines that the circumstances of the accident warrant a post- accident test when an accident results in injuries requiring transportation to a medical treatment facility; or where one or more vehicles incurs disabling damage that requires towing from the site; or if the employee receives a citation under State of local law for a moving traffic violation arising from the accident, or a fatality occurred. Thereafter, the supervisor will provide a ride to the testing site and directs the employee to immediately go to the collection site for alcohol and controlled substance testing. Because of a testing facility requirement, the employee in question must have proof of identification, such as a photo driver's license or state-issued photo identification card.

~~B. At the time the urine specimens are collected, three separate samples shall be placed in separate containers. All samples must be immediately sealed in the presence of an Employer and Union witness, if present, with evidence tape, and the tape signed by the employee and both witnesses. Two samples, each in a separate container, shall be sent to the laboratory to be tested at the Employer's expense. In order to be considered positive, both samples shall be tested separately in separate batches and show positive results on the GC-MS confirmatory test. The third sample or specimen shall be collected in a separate container, and shall be kept refrigerated at the site where the sample is given. This third sample shall be made available to the employee for testing by a laboratory selected by the employee at the employee's expense, provided that the laboratory chosen by the employee must be licensed by the California Department of Health Services, Laboratory Field Services. The cost of testing the third sample shall be borne by the employee or applicant.~~

~~C. The specific required procedure is as follows:~~

3. At the collection site, the employee will be required to submit a urine sample for controlled substances and a breath sample for alcohol testing to the on-duty technician. Care will be taken to provide the employee with maximum privacy without compromising the

integrity of the sample.4. An Administrator will be notified that an accident has occurred and that the employee was instructed to go to the collection site.

5. The employee whose alcohol test results are negative (less than 0.05 alcohol concentration) will be reinstated. The non-safety-sensitive employee, whose alcohol confirmation test results indicate an alcohol concentration greater than 0.05 will not be permitted to return to duty or perform any duties for 24 hours after administration of the test. The non-safety-sensitive employee whose alcohol confirmation test result indicates an alcohol concentration of 0.05 or greater for alcohol will be referred to a District specified outside SAP who will assess the employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the employee's termination.

6. The employee whose controlled substance test results are verified negative will be reinstated. The employee whose controlled substance test is verified positive by the Medical Review Officer will be referred to a District specified outside SAP who will assess the employee's condition and make a recommendation for treatment which, if accepted by the District, must be followed by the employee. Failure to follow the accepted recommendations or refusal to submit to return-to-duty and unannounced follow-up testing will result in the employee's termination.

L. PROCEDURES - RETURN-TO-DUTY and FOLLOW-UP

1. The supervisor notifies the employee to immediately go to the collection site for alcohol and controlled substance testing. Because of a testing facility requirement, the employee in question must have proof of identification, such as a photo driver's license or government-issued photo identification card.

2. At the collection site, the employee will be required to submit a urine sample for controlled substances and a breath sample for alcohol testing to the on-duty technician. Care will be taken to provide the employee with maximum privacy without compromising the integrity of the sample.

4. The employee whose confirmation test results indicate an alcohol concentration greater than 0.05 or whose controlled substance test is verified positive will be terminated.

M. PROCEDURES - CHAIN OF CUSTODY FOR CONTROLLED SUBSTANCE SPECIMENS

1. At the time a specimen is collected, the employee will be given a copy of the specimen collection procedures.
1. ~~2.~~ ~~Urine shall be obtained directly in a tamper-resistant urine bottle. Alternatively, the urine specimen may be collected at the employee's option~~will be in a wide-mouthed clinic specimen container which ~~shall~~will remain in full view of the employee until split, transferred to, sealed and initialed in ~~separate~~two tamper-resistant urine bottles.

~~2-3.~~ Immediately after the ~~specimen is~~specimens are collected, the urine ~~bottle shall~~bottles will, in the presence of the employee, be labeled and then initialed by the employee ~~and witnesses~~. If the sample must be collected at ~~the~~ site other than the ~~drug and/or alcohol testing~~controlled substance and/or alcohol testing laboratory, the ~~specimen shall~~specimens will then be placed in ~~the~~ transportation container. The container ~~shall~~will be sealed in the employee's presence and the employee ~~shall~~will be asked to initial or sign the container. The container ~~shall~~will be sent to the designated testing laboratory on that day or the earliest business day by the fastest available method. ~~The same procedure shall be followed for a blood test.~~

~~3-4.~~ A chain of ~~possession~~custody form ~~shall~~will be completed by the ~~hospital, laboratory and/or clinic personnel~~on-duty technician during the specimen collection process and attached to and mailed with the specimen.

~~D. The initial test of the urine specimen shall utilize immunoassay techniques. The following standards shall be used to determine what levels of detected substances shall be considered as positive:~~

N. PROCEDURES - SPECIMEN COLLECTION OF STRANGE AND/OR UNRECOGNIZABLE SUBSTANCES

1. An employee is observed with a strange and/or unrecognizable substance.
2. The supervisor, in the presence of a witness, places the strange and/or unrecognizable substance into a clear plastic bag. The bag is sealed, labeled, and signed by both the supervisor and a witness.
3. An incident report is made and signed by both the supervisor and a witness.
4. The plastic bag containing the specimen, and a copy of the incident report is taken to the collection site for transportation to the laboratory for analysis.

Substance Screening Test O. PROCEDURES - ALCOHOL CONCENTRATION/CONFIRMATION

<u>Drug Class</u>	<u>Initial Test</u>	<u>GC/MS Confirmatory</u>
<u>AMPHETAMINES</u>	<u>1000 ng/ml</u>	
<u> AMPHETEMINES (AMP)</u>		<u>500 ng/ml</u>
<u> METHAMPHETEMINE</u>		<u>500 ng/ml</u>
<u>COCAINE METABOLITES (COC)</u>	<u>300 ng/ml</u>	<u>150 ng/ml</u>
<u>OPIATES (OP12K)</u>	<u>2000 ng/ml</u>	
<u> MORPHINE</u>		<u>2000 ng/ml</u>
<u> CODEINE</u>		<u>2000 ng/ml</u>
<u> 6-ACETYLMORPHINE</u>		<u>10 ng/ml</u>
<u>PHENCYCLIDINE (PCP)</u>	<u>25 ng/ml</u>	<u>25 ng/ml</u>

MARIJUANA METABOLITES	50 ng/ml	15 ng/ml
ETHYL ALCOHOL	0.05 g/dl	0.05 g/dl

1. The employee and the on-duty Breath Alcohol Technician (BAT) complete the alcohol testing form to ensure that the results are properly recorded.
2. After an explanation of how the breathalyzer works, an initial breath sample is taken
3. If the results of the initial test show an alcohol concentration of 0.05 or greater a second or confirmation test must be conducted. The confirmation test must not be conducted less than 15 minutes after, or more than 20 minutes after the screening test.

~~D. All specimens identified as positive in the initial screen shall be confirmed utilizing gas-chromatograph/y mass spectrometry (GC/MS) technique which identifies at least ten (10) ions. All information shall be by quantitative analysis.~~
4. The confirmation test will utilize an Evidential Breath Testing device that prints out the results, date and time, a sequential test number, and the name and serial number of the Evidential Breath Testing device to ensure the reliability of the results.

~~E. If the testing procedures confirm a positive result, as described above, the employee or applicant shall be notified of the results in writing by the General Manager or Human Resources, including the specific quantities. If requested, the Employer will also provide the names of all the persons who were involved in the testing procedure and the preparation of the laboratory reports and forensic expert opinions. Employer will also provide, if requested, copies of all laboratory reports, forensic opinions, laboratory worksheets, procedure sheets, acceptance criteria and laboratory procedures; and all real evidence including the specimen collection kit.~~

~~F. All specimen confirmed positive shall be retained and placed in properly secured long-term frozen storage for a minimum of one (1) year, and be made available for retest as part of any administrative proceedings.~~

~~G. All information from an employee's or applicant's drug and alcohol test is confidential for purposes other than determining whether the Employer policy has been violated. Disclosure of test results to any other person, agency, or organization is prohibited unless written authorization is obtained from the employee or applicant. The results of a positive drug test shall not be released until the results are confirmed.~~

~~H. Every effort will be made to insure that all employee substance abuse problems will be discussed in private and actions taken will not be made known to anyone other than those directly involved in taking the action, or who are required to be involved in the disciplinary procedure.~~

~~I. There will be one person in the human resources department who will be designated to receive testing results. He/she will notify other managers of the District strictly on a need-to-know basis.~~

~~J. No laboratory or medical reports or test results shall appear in an employee's personnel folder. Information of this nature will be included in the medical file. The personnel folder will contain a marker to show that this information is contained elsewhere. All necessary measures shall be taken to keep the fact and the results of the test confidential.~~

9. CONSEQUENCES FOR VIOLATING THE RULES AND PROVISIONS OF THIS POLICY.

~~A. Applicants: Job applicants will be denied employment with the Employer if their initial positive test results have been confirmed. Applicants will be informed in writing if they are rejected on the basis of a confirmed positive drug test result. The period of employment exclusion will last for three (3) months, and any applicant is free to reapply after that time.~~

~~B. Employees: If the result of the urine test administered by the Employer on the two samples shows that the employee was under the influence of drugs or alcohol while on duty, the appropriate disciplinary action may be imposed by the Employer after the following procedure has been followed:~~

~~1) The employee and the Union shall be presented with a copy of the laboratory report of both specimens before any discipline is imposed. The Union and the employee shall then have five (5) days to present the Employer any different results from the test of the third sample, conducted by a laboratory selected by the employee (The failure of the Union or employee to have the third test performed or to present the results to the Employer shall not be used against the employee in any arbitration proceeding.)~~

~~2) After considering the results of the third test performed by the employee, if presented, the Employer may discipline the employee provided that any discipline imposed for the first offense in any 24 month period and any grievance filed in response thereto shall be held in abeyance pending voluntary completion by the employee of a substance abuse treatment program mutually agreed upon between the Employer, and the employee, the cost of which shall be borne by the employee except as provided by the Employer's group health insurance as any other illness.~~

~~3) If the employee successfully completes such a program and is not disciplined for substance abuse for 24 months following the initial charge, the discipline shall be revoked and shall not be used as the basis for any other disciplinary action in the future.~~

~~4) If an employee's positive test result has been confirmed, the employee is subject to disciplinary action under the terms described above, up to and including termination. Among the factors to be considered in determining the appropriate disciplinary response are the nature and requirements of the employee's work, length of employment, current job performance, the specific results of the test, and the history of past disciplinary actions.~~

10. EMPLOYEE TRAINING:

~~The Employer will establish a Drug Free Awareness Program which will inform employees about: (1) the dangers of alcohol and drug abuse in the work place; (2) the Employer's policy of drug and alcohol abuse; (3) the availability of treatment and counseling for employees who voluntarily seek such assistance; and (4) the sanctions the Employer will impose for violations its Drug and Alcohol Abuse Policy.~~

11. SUPERVISOR TRAINING:

~~The Employer shall provide training to assist supervisors in identifying factors which constitute reasonable cause for drug testing, as well as a detailed explanation and emphasis on the terms and conditions of the drug policy.~~

12. EMPLOYEE ASSISTANCE PROGRAM:

~~A) An employee who engages in drug/alcohol abuse is encouraged to participate in the Employee Assistance Program. Employees who seek voluntary assistance for alcohol and or substance abuse may not be disciplined for seeking such assistance. Request by employees for such assistance shall remain confidential and shall not be revealed to other employees or management personnel without the employee's consent.~~

~~Such participation shall not relieve an employee of the obligation to follow the Employer Policy regarding drug/alcohol use, possession, or being under the influence on the job. An Employee Assistance Program Counselor shall not disclose information on drug/alcohol use received from an employee for any purpose or under any circumstances, unless specifically authorized in writing by the employee.~~

~~B) Employees shall be given the best available treatment through established benefit plans and health insurance coverage. Options that have proved of value include:~~

~~1) Where there is no evidence of dependency, 20 to 40 hours of instruction in the biologic effects of alcohol and drugs, symptoms of chemical dependency, and the methods of treatment for chemical dependency;~~

~~2) Where an individual has developed a pattern of dependence on drugs or alcohol, but has the ability to discontinue use for a period of time, an outpatient program which is usually of 4 to 6 weeks duration, and which adds group and individual counseling in support to the educational program noted above. Such programs are effective, less expensive than residential programs, and are normally adequate in early chemical dependence;~~

~~3) Where an individual cannot discontinue use long enough to make progress in outpatient treatment, or has returned to drug or alcohol use following outpatient treatment, inpatient treatment of 3 to 6 weeks in length and continuing care following discharge for 6 to 12 weeks providing individualized and intensive medical, psychological and environmental care not possible in the outpatient setting may be required.~~

~~C) An employee who self admits and needs inpatient care may request a leave of absence of up to 60 days, subject to extension by mutual agreement, without pay (except that employees may use their sick leave, vacation and CTO balances) and without loss of any seniority, for the purpose of personal rehabilitation. The employer will make every effort to accommodate this request.~~

~~D) Employees who previously failed a controlled substance or alcohol test and who took a leave of absence to participate in an in-patient program that required them to be off work for a minimum of 30 days must submit to a return to duty test and test negative prior to returning to duty at the District.~~

~~**13. GRIEVANCE PROCEDURE**~~

~~All disputes concerning the interpretation or application of this drug and alcohol abuse and drug testing policy will be subject to the grievance and arbitration procedure of the collective bargaining agreement.~~

INCIDENT REPORT FORM "A"

Employee/s involved _____ -Date of Incident- _____

_____ -Time of incident- _____

Location of incident _____

Employee's Job Position/Assignment _____

Has employee been notified of his/her right to Union representation? _____

Time _____ Employee's initials _____

Witness to incident: _____

What Was Observed? _____

What is Employee's Explanation? _____

Action Recommended: _____

Action taken: _____

Signatures:

Name & Title of Employer Representative: _____

Name & Job Classification of Employee: _____

Name & Title of Union Representative: _____

Date/Time/Action taken: _____

CONSENT FOR URINE TEST FOR DRUGS AND/OR ALCOHOL

I, (name) _____ understand that my Employer has adopted a Drug and Alcohol Policy which allows for urine drug and or alcohol testing for reasonable cause. I have been requested to give a urine specimen which will be tested for the presence of Cocaine, Opiates, Phencyclidine, Marijuana, the Amphetamine Group and Ethyl Alcohol.

I may refuse to provide a urine sample, but disciplinary action by the District, up to and including discharge may result if a sample is not provided.

All charges for this urine test for drugs and/or alcohol will be paid for by the District, and not me.

I am presently taking the following medicines or prescription drugs:

I have read, understand and agree to the above.

Date _____ Time: _____

Employee: _____

Employee Witness: _____

Summary report: Litera Compare for Word 11.8.0.56 Document comparison done on 10/15/2024 3:05:50 PM	
Style name: Default Style	
Intelligent Table Comparison: Active	
Original DMS: nd://4894-7221-4768/1/Appendix D - Drug and Alcohol Policy (Non-Safety Sensivite) July 2022.docx	
Modified DMS: nd://4877-7810-9168/1/Appendix D - Substance Abuse Policy (Non-Safety Sensitive) October 2024.docx	
Changes:	
<u>Add</u>	174
Delete	204
Move From	0
<u>Move To</u>	0
<u>Table Insert</u>	2
Table Delete	1
<u>Table moves to</u>	0
Table moves from	0
Embedded Graphics (Visio, ChemDraw, Images etc.)	0
Embedded Excel	0
Format changes	0
Total Changes:	381



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: G-1

FROM: Office of the General Manager

SUBJECT: Review, Discuss, and Possibly Adopt Resolution 2024-29 Commending Linda Slack-Cruz for Her Leadership and Outstanding Public Service as a Recreation and Parks Commissioner of the North Tahoe Public Utility District

RECOMMENDATION:

That the Board review, discuss, and adopt Resolution 2024-29 commending Linda Slack-Cruz for her leadership and outstanding public service as Recreation and Parks Commissioner of the North Tahoe Public Utility District.

DISCUSSION:

Commissioner Linda Slack-Cruz announced her resignation from the North Tahoe Public Utility District Recreation Commission in August 2024. During her tenure as a Commissioner, Linda Slack-Cruz contributed leadership and outstanding service. The proposed Resolution of the Board of Directors commends Ms. Slack-Cruz for her dedication and advocacy over the years.

FISCAL ANALYSIS: No Fiscal Impact.

ATTACHMENTS: Resolution 2024-29

REVIEW TRACKING:

Submitted By *Amanda Oberacker*
Amanda Oberacker
Recreation, Parks and Facilities Manager

Approved By: *Bradley A. Johnson*
Bradley A. Johnson, P.E.
General Manager/CEO

RESOLUTION 2024-29

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE NORTH TAHOE PUBLIC UTILITY DISTRICT
COMMENDING LINDA SLACK-CRUZ
FOR HER LEADERSHIP AND OUTSTANDING PUBLIC SERVICE
AS A RECREATION AND PARKS COMMISSIONER OF THE NORTH TAHOE
PUBLIC UTILITY DISTRICT**

WHEREAS, Linda Slack-Cruz unselfishly volunteered and contributed to activities and programs that promoted physical, emotional, and mental health and wellness for the North Lake Tahoe Community by serving as a Commissioner on the North Tahoe Public Utility District's Recreation & Parks Commission; and

WHEREAS, during her service as a Commissioner, Linda Slack-Cruz distinguished herself in her dedication and leadership to the North Tahoe Public Utility District and the residents of the North Lake Tahoe community in serving multiple terms as a member of the Commission; and

WHEREAS, Linda Slack-Cruz has been a dedicated volunteer and passionate advocate for the growth and rehabilitation of the North Tahoe Public Utility District's Recreation and Parks programs and facilities, including her work on the creation of Tahoe Unleashed, the North Tahoe Regional Park Dog Park; and

WHEREAS, through the sharing of her knowledge, network, and expertise, Linda Slack-Cruz has contributed substantial benefits to the North Tahoe Public Utility District and supported the District in successfully engaging the community regarding planning and development for a variety of recreation programs and capital improvements.

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF THE NORTH TAHOE PUBLIC UTILITY DISTRICT DECLARES THE FOLLOWING:

1. That the Board of Directors do hereby express their gratitude and respect for Linda Slack-Cruz and her outstanding and dedicated leadership to the North Lake Tahoe community over the years during which she has served the residents of the District as a member of the Recreation and Parks Commission.
2. That we hereby express our appreciation for her accomplishments and extend our best wishes to Linda Slack-Cruz for continued health, happiness, and fulfillment in all her future endeavors.

PASSED AND ADOPTED BY THE BOARD OF DIRECTORS OF THE NORTH TAHOE PUBLIC UTILITY DISTRICT THIS 10th DAY OF DECEMBER 2024 BY THE FOLLOWING ROLL CALL VOTE:

**AYES:
NOES:
ABSTAIN:
ABSENT:**

**Sarah Coolidge, President
Board of Directors**

ATTEST:

**Bradley A. Johnson, P.E.
General Manager/CEO**



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: G-2

FROM: Finance Department

SUBJECT: Review, Discuss, and Possibly Accept the Annual Independent Audit Report of Financial Statements for Fiscal Year 2023-2024 with Presentation by Brad Bartells of MUN CPAs

RECOMMENDATION:

The Board review, discuss, and accept the annual independent audit report of financial statements for Fiscal Year 2023-2024.

DISCUSSION:

The District's Auditor, MUN CPAs, have completed their audit of the District's Fiscal year 2023-2024 financial report and have issued an unmodified report.

MUN CPAs' scope of work included various responsibilities in connection with the audit requirement, including appropriations limit and internal controls testing. The results of which will be discussed during the presentation from our Auditor Principle, Brad Bartells, and may be reviewed in the attachments.


ATTACHMENTS:

- Independent Auditor's Report for Fiscal Years 2024 and 2023
- Governance Letter
- Management Report
- Appropriations Limit Schedule for Fiscal Year 2024
- MUN Engagement Partner Presentation

MOTION: Approve Staff Recommendation

REVIEW TRACKING:

Submitted By: 
Lori Pommerenck
Interim Chief Financial Officer

Approved By: 
Bradley A. Johnson, P.E.
General Manager/CEO



NORTH TAHOE PUBLIC UTILITY DISTRICT

**ANNUAL FINANCIAL REPORT
WITH
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2024 AND 2023

**MUN CPAs, LLP
1760 CREEKSIDE OAKS DRIVE, SUITE 160
SACRAMENTO, CALIFORNIA 95833**

**NORTH TAHOE PUBLIC UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
JUNE 30, 2024 AND 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
North Tahoe Public Utility District
Tahoe Vista, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and each major fund of North Tahoe Public Utility District (the District) as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of North Tahoe Public Utility District as of June 30, 2024 and 2023, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and the schedules related to the District's net pension liability as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Schedule 1 - comparison of budget to actual in Schedule 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The budgetary comparison schedule is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2024, on our consideration of North Tahoe Public Utility District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of North Tahoe Public Utility District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North Tahoe Public Utility District's internal control over financial reporting and compliance.

MUN CPAs, LLP

Sacramento, California
December 5, 2024

**NORTH TAHOE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

As management of the North Tahoe Public Utility District (NTPUD or the District), we offer readers of NTPUD's financial statements this narrative overview and analysis of NTPUD's financial performance during the fiscal year ended June 30, 2024. Please read it in conjunction with NTPUD's financial statements, which follow this section.

The annual report includes the management's discussion and analysis report, the independent auditor's report and the basic financial statements of the District. The financial statements also include notes that explain in more detail some of the information in the financial statements.

FINANCIAL HIGHLIGHTS - BUSINESS-TYPE ACTIVITIES:

Due to the financial statements presenting information for two fiscal years the variance highlights will be provided for the changes from fiscal year 2022/23 to fiscal year 2023/24 as well as from 2021/22 to fiscal year 2022/23.

The District's Current Assets decreased by \$2,745,332 from \$17,044,790 to \$14,299,458 for fiscal year 2023/24 and increased \$1,903,303 from \$15,141,487 to \$17,044,790 for Fiscal year 2022/23. Restricted Assets remained unchanged at \$6,000 for fiscal year 2023/24 and fiscal year 2022/23. Noncurrent Investments decreased by \$596,152 from \$1,284,498 to \$786,199 for fiscal year 2023/24 and decreased by \$498,269 from \$1,284,468 to \$786,199 for fiscal year 2022/23. Capital Assets net of Accumulated Depreciation increased by \$4,132,287, from \$66,450,381 to \$70,582,668 for fiscal year 2023/24 and increased by \$6,819,270, from \$49,631,111 to \$66,450,381 for fiscal year 2022/23. As a result of the GASB 68 adjustments, net pension assets decreased from \$1,023,760 to \$0 for fiscal year 2022/23 and remained unchanged at zero for fiscal year 2023/24. Deferred Pension Outflows increased \$629,160 from \$1,510,206 to \$2,139,366 for fiscal year 2023/24 and increased \$322,991 for fiscal year 2022/23. The District's Total Assets and Deferred Outflows increased by \$1,419,963 to \$87,217,539 for fiscal year 2023/24 and increased by \$7,523,535 for fiscal year 2022/23.

The District's Current Liabilities (Unrestricted) decreased by (\$2,916,271) from \$5,604,852 to \$2,688,581 for fiscal year 2023/24 and increased by \$3,030,984 from \$2,573,868 to \$5,604,852 for fiscal year 2022/23. Noncurrent Liabilities from long term debt decreased by (\$109,609) from \$1,385,191 to \$1,275,582 for fiscal year 2023/24 and decreased \$2,660 from \$1,387,851 to \$1,385,191. Deferred Pension Inflows decreased \$18,757 from \$102,596 to \$83,839 for fiscal year 2023/24 and decreased \$966,192 from \$1,068,788 to \$102,596 for fiscal year 2022/23.

The Net Investment in Capital Assets increased by \$4,562,551 as additions of new Capital Assets exceeded depreciation and the related matured portion of capital debt repaid for fiscal year 2023/24. The increase for fiscal year 2022/23 was \$7,083,748. Unrestricted Net Position (Undesignated) increased by \$1,102,191 from \$10,770,003 to \$11,872,104 in fiscal year 2023/24 and decreased \$1,622,345 from \$12,392,348 to \$10,770,003 in fiscal year 2022/23. Total Net Position increased by \$4,464,600 from \$78,704,937 to \$83,169,537 for fiscal year 2023/24 and increased \$5,461,403 for fiscal year 2022/23.

Operating Revenues increased by \$461,272 from \$10,587,265 to \$11,048,537 for fiscal year 2023/24 and increased by \$1,236,096 for fiscal year 2022/23. Total Operating Expenses increased \$1,089,541 from \$15,691,087 to \$16,780,628 for fiscal year 2023/24 and increased \$2,822,803 for fiscal year 2023/23. Property Tax revenue increased by \$353,283 from \$7,658,352 to 8,011,635 for fiscal year 2023/24 and increased \$660,224 for fiscal year 2022/23. Investment income increased by \$58,270 from \$227,420 to \$285,690. Grant Revenue decreased by \$944,911 from \$2,482,868 to \$1,537,957.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FINANCIAL HIGHLIGHTS - SEWER FUND (FISCAL YEAR 2023/24):

Current Assets (not restricted) increased by \$445,795 from \$2,572,724 to \$3,018,519. Net Capital Assets increased by \$195,237 from \$23,352,483 to \$23,547,720 as additions to Capital Assets (including transfers from Construction in Progress) resulted in net additions less than the increase in Accumulated Depreciation. The Net Pension Assets increased \$ 109,561 from \$60,750 to \$170,311.

Current Liabilities (Payable from Current Assets) decreased by \$119,942 from \$236,759 to \$116,817. Deferred Pension Inflows decreased by \$3,266 from \$24,118 to \$20,852. The amount of Unrestricted Net Position increased by \$617,717 from \$2,427,171 to \$3,044,888. Total Net Position increased by \$812,954 from \$25,779,654 to \$26,592,608.

Operating Revenues increased by \$347,962 from \$4,159,168 to \$4,507,130. Total Operating Expenses of \$3,712,356 were \$301,797 less than prior year. Miscellaneous revenue decreased \$9,565 from prior year due to less proceeds from salvage sale.

Operating Revenues increased by \$347,962 from \$4,159,168 to \$4,507,130. Total Operating Expenses of \$3,712,356 were \$438,028 more than prior year. Property Tax revenue was not allocated to the Sewer Fund in fiscal year 2023 compared to \$938,000 allocated in the prior year. Miscellaneous revenue increased \$27,717 from prior year due to proceeds from salvage sale.

FINANCIAL HIGHLIGHTS SEWER FUND (FISCAL YEAR 2022/23):

Current Assets (not restricted) increased by \$227,876 from \$2,344,848 in fiscal year 2021/22 to \$2,572,724 in fiscal year 2022/23. Net Capital Assets decreased by \$354,468 from \$23,706,951 to \$23,352,483 as additions to Capital Assets (including transfers from Construction in Progress) resulted in net additions less than the increase in Accumulated Depreciation. The Net Pension Assets decreased to \$0 in fiscal year 2022/23 from \$308,198 in fiscal year 2021/22).

Current Liabilities (Payable from Current Assets) decreased by \$306,500 from \$543,259 to \$236,759. Deferred Pension Inflows decreased by \$181,726 from \$205,844 in fiscal year 2021/22 to \$24,118 in fiscal year 2022/23. The amount of Unrestricted Net Position increased by \$523,228 from \$1,903,943 in fiscal year 2021/22 to \$2,427,171 in fiscal year 2022/23. Total Net Position increased by \$168,760 from \$25,610,894 in fiscal year 2021/22 to \$25,779,654 in fiscal year 2022/23.

Operating Revenues increased by \$312,341 from \$3,846,827 in fiscal year 2021/22 to \$4,159,168 in fiscal year 2022/23. Total Operating Expenses of \$4,014,153 were \$438,023 more than fiscal year 2022/23. Property Tax Revenue was not allocated to the Sewer Fund in fiscal year 2022/23 compared to \$938,000 allocated in the fiscal year 2021/22. Miscellaneous revenue increased \$27,717 from fiscal year 2021/22 due to proceeds from the salvage sale.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FINANCIAL HIGHLIGHTS - WATER FUND (FISCAL YEAR 2023/24):

Current Assets decreased by \$2,947,092 from \$4,803,338 to \$1,856,246. Capital Assets net of Accumulated Depreciation increased by \$1,521,504 from \$25,932,565 to \$27,454,069. Deferred Pension Outflows increased by \$110,854 from \$337,412 to \$448,246.

Current Liabilities (Payable from Current Assets) decreased by \$1,863,944 from \$2,326,187 to \$433,064. The Long-term debt portion of Noncurrent Liabilities decreased by \$416,452 from \$849,516 to \$462,245, which is the result of the annual principal payments on the debt. The Net Pension Liability portion of Noncurrent Liabilities increased to \$60,847 from \$53,716 to \$115,269. The Deferred Pension Inflows decreased \$3,304 from \$36,437 to \$33,133. The amount of Net Position that is Unrestricted decreased by \$1,014,588 from \$2,678,951 to \$1,664,363. Total Net Position decreased by \$907,393 bringing the balance from \$27,807,459 to \$26,714,852.

Operating Revenues increased \$142,889 from \$4,376,242 to \$4,519,131. Total Operating Expenses increased by \$117,538 from \$3,957,619 to \$4,118,915. Property Tax Revenue Allocation decreased from \$3,050,000 to zero in the prior year. Grant Revenue decreased \$1,379,380 from \$1,849,587 to \$470,207.

FINANCIAL HIGHLIGHTS WATER FUND (FISCAL YEAR 2022/23):

Current Assets increased by \$1,463,423 from \$3,339,915 in fiscal year 2021/22 to \$4,803,338 fiscal year 2022/23. Capital Assets net of Accumulated Depreciation increased by \$5,236,424 from \$20,696,141 in fiscal year 2021/22 to \$25,932,565 in fiscal year 2022/23. Deferred Pension Outflows increased by \$63,542 from \$273,870 in fiscal year 2021/22 to \$337,412 in fiscal year 2022/23.

Current Liabilities (Payable from Current Assets) increased by \$1,616,394 from \$709,793 in fiscal year 2021/22 to \$2,326,187 in fiscal year 2022/23. The Long-term debt portion of Noncurrent portion of Long-term Debt decreased by \$400,477 from \$1,249,993 in fiscal year 2021/22 to \$849,516 in fiscal year 2022/23, which is the result of the annual principal payments on the debt. The Net Pension Liability portion of Noncurrent Liabilities increased to \$53,716 from \$0 in fiscal year 2022/23. The Deferred Pension Inflows decreased \$190,079 from \$226,516 in fiscal year 2021/22 to \$36,437 in fiscal year 2022/23. The amount of Net Position that is Unrestricted decreased by \$149,269 from \$2,828,220 in fiscal year 2021/22 to \$2,678,951 fiscal year 2022/23. Total Net Position increased by \$5,472,270 bringing the balance from \$22,335,189 in fiscal year 2021/22 to \$27,807,459 in fiscal year 2022/23.

Operating Revenues decreased \$54,403 from \$4,430,645 in fiscal year 2021/22 to \$4,376,242 in fiscal year 2022/23. Total Operating Expenses increased by \$435,433 from \$3,522,186 in fiscal year 2021/22 to \$3,957,619 in fiscal year 2022/23. Property Tax Revenue Allocation increased \$3,050,000 in fiscal year 2022/23 from \$0 in fiscal year 2021/22. Grant Revenue increased to \$1,849,587 in fiscal year 2022/23 from \$0 in fiscal year 2021/22.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FINANCIAL HIGHLIGHTS - RECREATION FUND (FISCAL YEAR 2023/24):

Current Assets decreased by \$1,816,649 from \$2,997,986 to \$1,181,337. Capital Assets net of Accumulated Depreciation increased by \$1,776,654 from \$15,927,572 to \$17,704,226. Deferred Pension Outflows of Resources increased by \$109,105 from \$238,372 to \$347,477.

Current Liabilities (Payable from Current Assets) decreased by 1,464,439 from \$1,810,116 to \$345,677. The Net Pension Liability classified as Noncurrent Liabilities increased by \$60,593 from \$49,076 to \$109,669. Deferred Inflows of Resources from Pension decreased by \$3,253 from \$19,130 to \$15,877. The amount of Net Position that is Unrestricted decreased by \$300,445 from \$1,358,036 to \$1,057,591. The Total Net Position increased by \$1,476,209 from \$17,285,608 to \$18,761,817.

Recreation Events and Program Revenues of \$1,412,546 were \$62,021 higher than the prior year. Total Operating Expenses increased by \$442,086 from \$2,582,602 to 3,024,688. The Recreation assessment, called Community Facilities District 941 (CFD 941), brought in \$1,720,548 a decrease of \$239,961. Grant revenue increased by \$545,569 from \$633,281 to \$1,067,750.

FINANCIAL HIGHLIGHTS - RECREATION FUND: (FISCAL YEAR 2022/23)

Current Assets increased by \$1,121,323 from \$1,876,663 in fiscal year 2021/22 to \$2,997,986 in fiscal year 2022/23. Capital Assets net of Accumulated Depreciation increased by \$1,715,167 from \$14,212,405 in fiscal year 2021/22 to \$15,927,572 in fiscal year 2022/23. Deferred Pension Outflows of Resources increased by \$47,493 from \$190,879 in fiscal year 2021/22 to \$238,372 in fiscal year 2022/23.

Current Liabilities (Payable from Current Assets) increased by \$1,453,973 from \$356,143 in fiscal year 2021/22 to \$1,810,116 in fiscal year 2022/23. The Net Pension Liability classified as Noncurrent Liabilities increased by \$49,076 from \$0 in fiscal year 2021/22. Deferred Inflows of Resources from Pension decreased by \$142,072 from \$161,202 in fiscal year 2021/22 to \$19,130 in fiscal year 2022/23. The amount of Net Position that is Unrestricted decreased by \$341,366 to close at \$1,358,036 in fiscal year 2022/23. The Total Net Position increased by \$1,373,801 from \$15,911,807 in fiscal year 2021/22 to \$17,285,608 fiscal year 2022/23.

Recreation Events and Program Revenues of \$1,350,525 in fiscal year 2022/23 were \$242,059 higher than fiscal year 2021/22. Total Operating Expenses increased by \$432,916 from \$2,149,686 in fiscal year 2021/22 to \$2,582,601 in fiscal year 2022/23. The Recreation assessment, called Community Facilities District 941 (CFD 941), brought in \$1,960,509 in fiscal year 2022/23, an increase of \$292,620 over fiscal year 2021/22. Grant revenue increased by \$148,771 from \$484,510 in fiscal year 2021/22 to \$633,281 in fiscal year 2022/23.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

FINANCIAL HIGHLIGHTS – INTERNAL SERVICES FUND (FLEET & GENERAL & ADMINISTRATION FUNDS)

For Fiscal Year 2023/24 the District changed the presentation for the Internal Services Fund which were previously reported as separate funds for Fleet and General and Administrative. The change will bring the presentation into compliance with GASB reporting guidance.

Current Assets increased by \$1,572,614 from \$6,670,742 to \$8,243,356 for fiscal year 2023/24 and decreased \$909,319 from \$7,580,061 to \$6,670,742 for fiscal year 2022/23. Noncurrent Investments decreased by \$596,152 from \$786,199 to \$190,047 for fiscal year 2023/24 and increased by \$786,199 from \$0 in fiscal year 2021/22. Capital Assets net of Accumulated Depreciation increased by \$638,892 from \$1,237,761 to \$1,876,653 for fiscal year 2023/24 and increased \$222,147 from \$1,015,614 to \$1,237,761 for fiscal year 2022/23. Deferred Pension Outflows of Resources increased by \$299,660 from \$873,672 to \$1,173,332 for fiscal year 2023/24 and increased by \$151,206 from \$722,466 to \$873,672 in fiscal year 2022/23.

Current Liabilities (Payable from Current Assets) increased by \$532,054 from \$1,231,790 to \$1,763,844 for fiscal year 2023/24 and increased by \$267,117 from \$964,673 to \$1,231,790 for fiscal year 2022/23. Net Pension Liability portion of Noncurrent Liabilities increased by \$166,422 from \$276,481 to \$442,903 for fiscal year 2023/24 and increased \$276,481 from \$0 in fiscal year 2022/23. Deferred Pension Inflows decreased \$8,934 from \$22,911 to \$13,977 for fiscal year 2023/24 and decreased by \$452,315 from \$475,226 to \$22,911 for fiscal year 2022/23. The amount of Net Position that is Unrestricted increased by \$599,365 from \$6,895,762 to \$7,495,127 for fiscal year 2023/24 and decreased by \$1,654,938 from \$8,550,700 to \$6,895,762 for fiscal year 2022/23. Total Net Position increased by \$1,268,044 bringing the balance to \$9,100,260 for fiscal year 2023/24 and decreased by \$1,553,428 bringing the balance to \$7,832,216 in fiscal year 2022/23.

Total Operating Revenue decreased by \$91,600 from \$701,330 to \$609,730 in fiscal year 2023/24 and increased \$736,099 from \$34,769 to \$701,330 for fiscal year 2022/23. Total Operating Expenses increased by \$787,956 from \$5,136,713 to \$5,924,669 for fiscal year 2023/24 and increased by \$1,516,431 from \$3,620,282 to \$5,156,713 for fiscal year 2022/23. Property Tax Revenue increased \$3,643,244 from \$2,647,843 to \$6,291,087 for fiscal year 2023/24 and decreased by \$1,744,396 from \$4,392,239 to \$2,881,955 for fiscal year 2022/23. Investment Income increased \$57,475 from \$225,814 to \$283,289 for fiscal year 2023/24 and increased \$298,607 from a \$72,793 loss to \$225,814 revenue in fiscal year 2022/23.

DUE (TO)/FROM ENTERPRISE:

The amounts due (to) or from other enterprises are as follows at June 30, 2024:

	<u>Sewer</u>	<u>Water</u>	<u>Recreation & Parks</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Due (To)/From Other Fund	\$ 2,811,629	\$ 1,358,386	\$ 644,842	\$ 4,814,857	\$ (4,814,857)

The amounts due (to) or from other enterprises are as follows at June 30, 2023:

	<u>Sewer</u>	<u>Water</u>	<u>Recreation & Parks</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
Due (To)/From Other Fund	\$ 2,376,721	\$ 3,012,792	\$ 2,144,929	\$ 7,534,442	\$ (7,534,442)

**NORTH TAHOE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

REQUIRED FINANCIAL STATEMENTS:

The financial statements of the District report information of the District using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Net Position includes all of the District's assets and deferred outflows of resources, and liabilities and deferred inflows of resources and provides information about the nature and amounts of investments in resources (assets) and the obligations to District creditors (liabilities). It also provides the basis for evaluating the capital structure of the District and assessing the liquidity and financial flexibility of the District.

All current year's revenues and expenses are accounted for in the statement of revenues, expenses, and changes in net position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges, profitability and credit worthiness.

The final required financial statement is the statement of cash flows. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

FINANCIAL ANALYSIS OF THE DISTRICT:

The most common financial question posed to the District is "How did we do financially during 2023/2024?" The statement of net position and the statement of revenues, expenses and changes in net position report information about the District's activities in a way that will help answer this question. These two statements report the net assets of the District and the changes in them. One can think of the District's Net Position – the difference between assets, deferred outflows, liabilities and deferred inflows – as one way to measure financial health or financial position. Over time, increases or decreases in the District's Net Position is one indicator of whether its financial health is improving or deteriorating. However, one will need to consider other nonfinancial factors such as changes in economic conditions, population growth, and new or changed government legislation.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

NET POSITION:

To begin our analysis, a summary of the District's Net Position is presented in Table A-1.

Table A-1
Condensed statement of net position

	<u>Fiscal Year 6/30/2024</u>	<u>Fiscal Year 6/30/2023</u>	<u>Fiscal Year 6/30/2022</u>
Current assets	\$ 14,299,458	\$ 17,044,790	\$ 15,141,487
Restricted assets	6,000	6,000	6,000
Investments - noncurrent portion	190,047	786,199	1,284,468
Net capital assets	70,582,668	66,450,381	59,631,111
Net pension asset	-	-	1,023,760
Deferred pension outflows	<u>2,139,366</u>	<u>1,510,206</u>	<u>1,187,215</u>
 Total assets and deferred outflows of resources	 <u>87,217,539</u>	 <u>85,797,576</u>	 <u>78,274,041</u>
Current liabilities	\$ 2,688,581	\$ 5,604,852	\$ 2,573,868
Noncurrent liabilities	1,275,582	1,385,191	1,387,851
Deferred pension inflows	<u>83,839</u>	<u>102,596</u>	<u>1,068,788</u>
 Total liabilities and deferred inflows of resources	 <u>4,048,002</u>	 <u>7,092,639</u>	 <u>5,030,507</u>
Net investment in capital assets	\$ 69,455,632	\$ 64,893,081	\$ 57,809,333
Other restricted	6,000	6,000	6,000
Restricted for debt service	445,936	445,936	445,936
Unrestricted (designated for Board reserves)	3,260,071	3,057,239	2,753,938
Unrestricted (undesignated)	<u>10,001,898</u>	<u>10,302,681</u>	<u>12,228,327</u>
 Total net position	 <u>\$ 83,169,537</u>	 <u>\$ 78,704,937</u>	 <u>\$ 73,243,534</u>

As can be seen from the table above, net position grew by \$4,464,600 from \$78,704,937 to \$83,169,537. Net position increased primarily from the amounts invested in Capital Assets of \$4,132,887 or 6%. Unrestricted (Designated for Board Reserves) increased \$202,832 to \$3,260,071. Unrestricted (Undesignated) balance decreased by \$300,783 from \$10,302,681 to \$10,001,893.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

REVENUES, EXPENSES AND CHANGES IN NET POSITION:

Table A-2

Condensed statement of revenues, expenses and changes in net position

	<u>Fiscal Year 6/30/2024</u>	<u>Fiscal Year 6/30/2023</u>	<u>Fiscal Year 6/30/2022</u>
Operating revenues	\$ 11,048,537	\$ 10,587,265	\$ 9,351,169
Operating expenses	<u>16,780,628</u>	<u>15,691,087</u>	<u>12,868,284</u>
Net operating income (loss)	<u>(5,732,091)</u>	<u>(5,103,822)</u>	<u>(3,517,115)</u>
Property tax revenues	8,011,635	7,658,352	6,998,128
Other non-operating revenues and expenses	<u>2,185,056</u>	<u>2,769,315</u>	<u>385,014</u>
Non-operating revenues and expenses	<u>10,196,691</u>	<u>10,427,667</u>	<u>7,383,142</u>
Income before capital contributions	4,464,600	5,323,845	3,866,027
Capital contributions	<u>-</u>	<u>137,558</u>	<u>-</u>
Change in net position	4,464,600	5,461,403	3,866,027
Net position, beginning of year	<u>78,704,937</u>	<u>73,243,534</u>	<u>69,377,507</u>
Total net position, ending of year	<u>\$ 83,169,537</u>	<u>\$ 78,704,937</u>	<u>\$ 73,243,534</u>

While the statement of net position shows the change in financial position of net assets, the statements of revenues, expenses and changes in net position provides answers as to the nature and source of these changes. As can be seen in Table A2 above, revenues, including operating, property tax and other, exceeded expenses in each year increasing net position. The increase in Net Position of \$4,464,600 was \$996,803 less than the \$5,461,403 for prior year. The decrease was mainly due to less grant revenue over prior year.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

BUDGETARY HIGHLIGHTS:

The District adopts an annual Operating Budget. The Operating Budget includes proposed expenses and the means of financing them. The District's operating budget includes the original budget and all budget adjustments approved during the year.

A fiscal year 2023/24 budget comparison and analysis is presented in Table A-3.

Table A-3
Budgeted Summary

	<u>Budget</u>	<u>Actual</u>	<u>Positive (Negative) Variance</u>
Operating revenues	\$ 10,651,841	\$ 11,048,537	\$ 396,696
Operating expenses	<u>(17,117,961)</u>	<u>(16,780,628)</u>	<u>337,333</u>
Net operating income (loss)	<u>(6,466,120)</u>	<u>(5,732,091)</u>	<u>734,029</u>
Property tax revenues	7,002,900	8,011,635	1,008,735
Other non-operating revenues and expenses	<u>1,749,629</u>	<u>2,185,056</u>	<u>435,427</u>
Non-operating revenues and expenses	<u>8,752,529</u>	<u>10,196,691</u>	<u>1,444,162</u>
(Loss)/income before capital contributions	<u>2,286,409</u>	<u>4,464,600</u>	<u>2,178,191</u>
Change in net position	<u>\$ 2,286,409</u>	<u>\$ 4,464,600</u>	<u>\$ 2,178,191</u>

Operating revenues of \$11,048,537 were \$396,696 over the Budget of \$10,651,841. Operating expenses of \$16,780,628 were \$337,333 over the amount budgeted. Property taxes, including CFD 941, and nonoperating revenues surpassed the budgeted amount by \$1,444,162. The total change in net position of \$4,464,600 exceeded the budgeted amount of \$2,286,409 by \$2,178,191 primarily due to grants received not budgeted and property tax revenue exceeding budget.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

CAPITAL ASSETS:

Table A-4

Condensed statement of capital assets

	<u>Fiscal Year 6/30/2024</u>	<u>Fiscal Year 6/30/2023</u>	<u>Fiscal Year 6/30/2022</u>
Capital assets	\$ 139,572,506	\$ 125,239,184	\$ 118,108,923
Construction in progress	<u>2,714,790</u>	<u>9,475,866</u>	<u>6,732,475</u>
Total capital assets	142,287,296	134,715,050	124,841,398
Accumulated depreciation	<u>(72,046,436)</u>	<u>(68,658,374)</u>	<u>(65,425,597)</u>
Net capital assets	<u>\$ 70,240,860</u>	<u>\$ 66,056,676</u>	<u>\$ 59,415,801</u>

At the end of fiscal year 2024, the District had \$142,287,506 invested in capital assets as shown in Table A4. The table excludes Subscription Based Information Technology Arrangements (SBITA). Capital assets grew by \$14,333,322 or 11%. Construction in Process decreased by \$6,761,076. Accumulated depreciation increased \$3,388,062 compared to prior year. The result was an increase in Net Capital Assets of \$4,184,184 or 6%.

The District implemented GASB 96 for the accounting of Subscription Based Information Technology Arrangements (SBITA's) in fiscal year 2023. The impact to the financial statements can be found in Notes 4, and 5. Table A4 above excludes the SBITA's reported in Note 4.

On September 1, 2010, the District entered into an installment sale agreement (the "Agreement") for \$4.5 million to finance the construction of certain capital facilities related to the District's water acquisition, storage and distribution system consisting primarily of a water storage tank and appurtenances. The Agreement's interest rate is 3.95% and is payable semiannually. Principal repayment began in August 2013 and concludes on February 1, 2026.

DISTRICT CONTACT INFORMATION:

This financial report is designed to provide our customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funds it receives. Anyone having questions regarding this report or desiring additional information may contact Lori Pommerenck, Interim Chief Financial Officer, North Tahoe Public Utility District, P.O. Box 139 Tahoe Vista, CA 961480139 or by phone at (530) 5464212 or by email at lpommerenck@ntpud.org.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024**

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents (Note 2)	\$ -	\$ 445,936	\$ 1,887	\$ 447,823	\$ 8,609,695
Investments (Note 2)	-	-	-	-	2,584,517
Due (to)/from other funds	2,811,629	1,358,386	644,842	4,814,857	(4,814,857)
Accounts receivable (Note 3)	-	51,924	486,814	538,738	1,196,417
Inventory	206,890	-	-	206,890	-
Deposits and prepaid expenses	-	-	47,794	47,794	667,584
Total current assets	<u>3,018,519</u>	<u>1,856,246</u>	<u>1,181,337</u>	<u>6,056,102</u>	<u>8,243,356</u>
Restricted assets:					
Deposits and prepaid expenses	-	-	-	-	6,000
Total restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Noncurrent assets:					
Investments (Note 2)	-	-	-	-	190,047
Capital assets, net of accumulated depreciation (Note 4)	<u>23,547,720</u>	<u>27,454,069</u>	<u>17,704,226</u>	<u>68,706,015</u>	<u>1,876,653</u>
Total noncurrent assets	<u>23,547,720</u>	<u>27,454,069</u>	<u>17,704,226</u>	<u>68,706,015</u>	<u>2,066,700</u>
Total Assets	<u>26,566,239</u>	<u>29,310,315</u>	<u>18,885,563</u>	<u>74,762,117</u>	<u>10,316,056</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Changes in the net pension liability (Note 6)	<u>170,311</u>	<u>448,246</u>	<u>347,477</u>	<u>966,034</u>	<u>1,173,332</u>
Total Deferred Outflows of Resources	<u>\$ 170,311</u>	<u>\$ 448,246</u>	<u>\$ 347,477</u>	<u>\$ 966,034</u>	<u>\$ 1,173,332</u>

See accompanying notes to the basic financial statements.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2024 (CONTINUED)**

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
<u>LIABILITIES</u>					
Current liabilities					
Accounts payable and other liabilities	\$ 116,817	\$ 31,809	\$ 91,179	\$ 239,805	\$ 858,496
Deferred revenue	-	-	254,498	254,498	-
Accrued interest payable	-	13,982	-	13,982	-
Compensated absences	-	-	-	-	796,232
Long term debt - current portion (Note 5)	-	416,452	-	416,452	109,116
Total current liabilities	116,817	462,243	345,677	924,737	1,763,844
Noncurrent liabilities					
Long term debt, less current portion (Note 5)	-	433,064	-	433,064	168,404
Net pension liability (Note 6)	6,273	115,269	109,669	231,211	442,903
Total noncurrent liabilities	6,273	548,333	109,669	664,275	611,307
Total Liabilities	123,090	1,010,576	455,346	1,589,012	2,375,151
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Changes in the net pension liability (Note 6)	20,852	33,133	15,877	69,862	13,977
Total Deferred Inflows of Resources	20,852	33,133	15,877	69,862	13,977
<u>NET POSITION</u>					
Net investment in capital assets	23,547,720	26,604,553	17,704,226	67,856,499	1,599,133
Restricted for:					
Other	-	-	-	-	6,000
Debt service	-	445,936	-	445,936	-
Unrestricted	3,044,888	1,664,363	1,057,591	5,766,842	7,495,127
Total Net Position	\$ 26,592,608	\$ 28,714,852	\$ 18,761,817	\$ 74,069,277	\$ 9,100,260

See accompanying notes to the basic financial statements.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023**

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
<u>ASSETS</u>					
Current assets:					
Cash and cash equivalents (Note 2)	\$ -	\$ 445,936	\$ 16,087	\$ 462,023	\$ 11,326,212
Investments (Note 2)	-	-	-	-	1,261,720
Due (to)/from other funds	2,376,721	3,012,792	2,144,929	7,534,442	(7,534,442)
Accounts receivable (Note 3)	27,560	1,344,610	814,428	2,186,598	1,026,178
Inventory	168,443	-	-	168,443	-
Deposits and prepaid expenses	-	-	22,542	22,542	591,074
Total current assets	<u>2,572,724</u>	<u>4,803,338</u>	<u>2,997,986</u>	<u>10,374,048</u>	<u>6,670,742</u>
Restricted assets:					
Deposits and prepaid expenses	-	-	-	-	6,000
Total restricted assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>
Noncurrent assets:					
Investments (Note 2)	-	-	-	-	786,199
Capital assets, net of accumulated depreciation (Note 4)	<u>23,352,483</u>	<u>25,932,565</u>	<u>15,927,572</u>	<u>65,212,620</u>	<u>1,237,761</u>
Total noncurrent assets	<u>23,352,483</u>	<u>25,932,565</u>	<u>15,927,572</u>	<u>65,212,620</u>	<u>2,023,960</u>
Total Assets	<u>25,925,207</u>	<u>30,735,903</u>	<u>18,925,558</u>	<u>75,586,668</u>	<u>8,700,702</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>					
Changes in the net pension liability (Note 6)	<u>60,750</u>	<u>337,412</u>	<u>238,372</u>	<u>636,534</u>	<u>873,672</u>
Total Deferred Outflows of Resources	<u>\$ 60,750</u>	<u>\$ 337,412</u>	<u>\$ 238,372</u>	<u>\$ 636,534</u>	<u>\$ 873,672</u>

See accompanying notes to the basic financial statements.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2023 (CONTINUED)**

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
<u>LIABILITIES</u>					
Current liabilities					
Accounts payable and other liabilities	\$ 105,449	\$ 1,766,811	\$ 1,153,323	\$ 3,025,583	\$ 788,238
Deferred revenue	-	-	560,896	560,896	-
Accrued interest payable	-	20,573	-	20,573	-
Compensated absences	131,310	138,326	95,897	365,533	347,221
Long term debt - current portion (Note 5)	<u>-</u>	<u>400,477</u>	<u>-</u>	<u>400,477</u>	<u>96,331</u>
Total current liabilities	<u>236,759</u>	<u>2,326,187</u>	<u>1,810,116</u>	<u>4,373,062</u>	<u>1,231,790</u>
Noncurrent liabilities					
Long term debt, less current portion (Note 5)	-	849,516	-	849,516	210,976
Net pension liability (Note 6)	<u>(54,574)</u>	<u>53,716</u>	<u>49,076</u>	<u>48,218</u>	<u>276,481</u>
Total noncurrent liabilities	<u>(54,574)</u>	<u>903,232</u>	<u>49,076</u>	<u>897,734</u>	<u>487,457</u>
Total Liabilities	<u>182,185</u>	<u>3,229,419</u>	<u>1,859,192</u>	<u>5,270,796</u>	<u>1,719,247</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Changes in the net pension liability (Note 6)	<u>24,118</u>	<u>36,437</u>	<u>19,130</u>	<u>79,685</u>	<u>22,911</u>
Total Deferred Inflows of Resources	<u>24,118</u>	<u>36,437</u>	<u>19,130</u>	<u>79,685</u>	<u>22,911</u>
<u>NET POSITION</u>					
Net investment in capital assets	23,352,483	24,682,572	15,927,572	63,962,627	930,454
Restricted for:					
Other	-	-	-	-	6,000
Debt service	-	445,936	-	445,936	-
Unrestricted	<u>2,427,171</u>	<u>2,678,951</u>	<u>1,358,036</u>	<u>6,464,158</u>	<u>6,895,762</u>
Total Net Position	<u>\$ 25,779,654</u>	<u>\$ 27,807,459</u>	<u>\$ 17,285,608</u>	<u>\$ 70,872,721</u>	<u>\$ 7,832,216</u>

See accompanying notes to the basic financial statements.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024**

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
<u>OPERATING REVENUE</u>					
Service charges	\$ 4,507,130	\$ 4,519,131	\$ -	\$ 9,026,261	\$ 609,730
Recreation events and programs	<u>-</u>	<u>-</u>	<u>1,412,546</u>	<u>1,412,546</u>	<u>-</u>
Total operating revenues	<u>4,507,130</u>	<u>4,519,131</u>	<u>1,412,546</u>	<u>10,438,807</u>	<u>609,730</u>
<u>OPERATING EXPENSES</u>					
Direct operating expenses	2,521,112	2,866,226	2,265,031	7,652,369	5,617,522
Depreciation and amortization	<u>1,191,244</u>	<u>1,252,689</u>	<u>759,657</u>	<u>3,203,590</u>	<u>307,147</u>
Total operating expenses	<u>3,712,356</u>	<u>4,118,915</u>	<u>3,024,688</u>	<u>10,855,959</u>	<u>5,924,669</u>
Operating income (loss)	<u>794,774</u>	<u>400,216</u>	<u>(1,612,142)</u>	<u>(417,152)</u>	<u>(5,314,939)</u>
<u>NONOPERATING REVENUE (EXPENSE)</u>					
Property tax revenue/CFD 94-1	-	-	1,720,548	1,720,548	6,291,087
Investment income (loss)	-	-	2,401	2,401	283,289
Grants	-	470,207	1,067,750	1,537,957	-
Miscellaneous revenues	18,180	75,837	359,700	453,717	8,607
Interest expense	-	(38,867)	-	(38,867)	-
Other nonoperating expenses	<u>-</u>	<u>-</u>	<u>(62,048)</u>	<u>(62,048)</u>	<u>-</u>
Total nonoperating revenue (expense), net	<u>18,180</u>	<u>507,177</u>	<u>3,088,351</u>	<u>3,613,708</u>	<u>6,582,983</u>
Change in Net Position	<u>812,954</u>	<u>907,393</u>	<u>1,476,209</u>	<u>3,196,556</u>	<u>1,268,044</u>
Total Net Position, Beginning of Year	<u>25,779,654</u>	<u>27,807,459</u>	<u>17,285,608</u>	<u>70,872,721</u>	<u>7,832,216</u>
Total Net Position, End of Year	<u>\$ 26,592,608</u>	<u>\$ 28,714,852</u>	<u>\$ 18,761,817</u>	<u>\$ 74,069,277</u>	<u>\$ 9,100,260</u>

See accompanying notes to the basic financial statements.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
<u>OPERATING REVENUE</u>					
Service charges	\$ 4,159,168	\$ 4,376,242	\$ -	\$ 8,535,410	\$ 701,330
Recreation events and programs	<u>-</u>	<u>-</u>	<u>1,350,525</u>	<u>1,350,525</u>	<u>-</u>
Total operating revenues	<u>4,159,168</u>	<u>4,376,242</u>	<u>1,350,525</u>	<u>9,885,935</u>	<u>701,330</u>
<u>OPERATING EXPENSES</u>					
Direct operating expenses	2,705,667	2,822,468	1,979,132	7,507,267	4,744,232
Administrative and general	-	-	-	-	89,140
Depreciation and amortization	<u>1,308,486</u>	<u>1,135,151</u>	<u>603,470</u>	<u>3,047,107</u>	<u>303,341</u>
Total operating expenses	<u>4,014,153</u>	<u>3,957,619</u>	<u>2,582,602</u>	<u>10,554,374</u>	<u>5,136,713</u>
Operating income (loss)	<u>145,015</u>	<u>418,623</u>	<u>(1,232,077)</u>	<u>(668,439)</u>	<u>(4,435,383)</u>
<u>NONOPERATING REVENUE (EXPENSE)</u>					
Property tax revenue/CFD 94-1	-	3,050,000	1,960,509	5,010,509	2,647,843
Investment income	-	-	1,606	1,606	225,814
Grants	-	1,849,587	633,281	2,482,868	-
Miscellaneous revenues	27,745	71,372	17,500	116,617	8,298
Interest Expense	-	(54,483)	-	(54,483)	-
Other nonoperating expenses	<u>(4,000)</u>	<u>(387)</u>	<u>(7,018)</u>	<u>(11,405)</u>	<u>-</u>
Total nonoperating revenues (expenses), net	<u>23,745</u>	<u>4,916,089</u>	<u>2,605,878</u>	<u>7,545,712</u>	<u>2,881,955</u>
Income (loss) before capital contributions	<u>168,760</u>	<u>5,334,712</u>	<u>1,373,801</u>	<u>6,877,273</u>	<u>(1,553,428)</u>
Capital contributions	<u>-</u>	<u>137,558</u>	<u>-</u>	<u>137,558</u>	<u>-</u>
Change in Net Position	<u>168,760</u>	<u>5,472,270</u>	<u>1,373,801</u>	<u>7,014,831</u>	<u>(1,553,428)</u>
Total Net Position, Beginning of Year	<u>25,610,894</u>	<u>22,335,189</u>	<u>15,911,807</u>	<u>63,857,890</u>	<u>9,385,644</u>
Total Net Position, End of Year	<u>\$ 25,779,654</u>	<u>\$ 27,807,459</u>	<u>\$ 17,285,608</u>	<u>\$ 70,872,721</u>	<u>\$ 7,832,216</u>

See accompanying notes to the basic financial statements.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024**

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from customers	\$ 4,496,243	\$ 4,548,532	\$ 1,015,534	\$ 10,060,309	\$ 430,692
Cash paid to suppliers	(968,257)	(3,067,170)	(1,933,456)	(5,968,883)	(1,673,154)
Cash paid to employees	(1,747,642)	(1,724,969)	(1,630,793)	(5,103,404)	(3,643,781)
Net Cash Provided by (Used for) Operating Activities	<u>1,780,344</u>	<u>(243,607)</u>	<u>(2,548,715)</u>	<u>(1,011,978)</u>	<u>(4,886,243)</u>
<u>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Property tax collected	-	-	1,734,126	1,734,126	6,299,886
Interfund receipts (disbursements)	(434,908)	1,654,406	1,500,087	2,719,585	(2,719,585)
Other nonoperating revenues	18,180	75,837	359,700	453,717	8,607
Other nonoperating expenses	-	-	(62,048)	(62,048)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(416,728)</u>	<u>1,730,243</u>	<u>3,531,865</u>	<u>4,845,380</u>	<u>3,588,908</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Acquisition of capital assets	(1,363,616)	(2,774,193)	(2,472,151)	(6,609,960)	(875,261)
Capital grants received	-	1,733,492	1,472,400	3,205,892	-
Principal paid on capital debt	-	(400,477)	-	(400,477)	-
Interest paid on capital debt	-	(45,458)	-	(45,458)	-
Net Cash Used for Capital and Related Financing Activities	<u>(1,363,616)</u>	<u>(1,486,636)</u>	<u>(999,751)</u>	<u>(3,850,003)</u>	<u>(875,261)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Investment earnings	-	-	2,401	2,401	283,289
Purchase of investments	-	-	-	-	(827,210)
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>-</u>	<u>2,401</u>	<u>2,401</u>	<u>(543,921)</u>
Net Decrease in Cash and Cash Equivalents	-	-	(14,200)	(14,200)	(2,716,517)
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>445,936</u>	<u>16,087</u>	<u>462,023</u>	<u>11,326,212</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ 445,936</u>	<u>\$ 1,887</u>	<u>\$ 447,823</u>	<u>\$ 8,609,695</u>

See accompanying notes to the basic financial statements.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2024**

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u>					
Operating income (loss)	\$ 794,774	\$ 400,216	\$ (1,612,142)	\$ (417,152)	\$ (5,314,939)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,191,244	1,252,689	759,657	3,203,590	307,147
Net change in deferred outflows and inflows	(112,827)	(114,138)	(112,358)	(339,323)	(308,594)
(Increase) decrease in:					
Accounts receivable	27,560	29,401	(90,614)	(33,653)	(179,038)
Inventory	(38,447)	-	-	(38,447)	-
Net pension liability	54,574	-	-	54,574	8,189
Other assets	-	-	(25,252)	(25,252)	(76,510)
Increase (decrease) in:					
Accounts payable	(11,497)	(1,735,002)	(1,126,304)	(2,872,803)	70,258
Other liabilities	(131,310)	(138,326)	(95,897)	(365,533)	449,011
Deferred revenue	-	-	(306,398)	(306,398)	-
Net pension liability	<u>6,273</u>	<u>61,553</u>	<u>60,593</u>	<u>128,419</u>	<u>158,233</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,780,344</u>	<u>\$ (243,607)</u>	<u>\$ (2,548,715)</u>	<u>\$ (1,011,978)</u>	<u>\$ (4,886,243)</u>
<u>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Capital assets purchased through payables	<u>\$ 22,865</u>	<u>\$ -</u>	<u>\$ 64,160</u>	<u>\$ 87,025</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Business-Type</u>				
	<u>Sewer</u>	<u>Water</u>	<u>Recreation</u>	<u>Total Enterprise Funds</u>	<u>Internal Service Funds</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash received from customers	\$ 4,191,034	\$ 4,422,416	\$ 1,723,806	\$ 10,337,256	\$ 715,328
Cash paid to suppliers	(1,396,472)	(935,112)	(678,713)	(3,010,297)	(1,461,658)
Cash paid to employees	(1,604,547)	(1,607,804)	(1,217,802)	(4,430,153)	(3,173,441)
Net Cash Provided by (Used for) Operating Activities	<u>1,190,015</u>	<u>1,879,500</u>	<u>(172,709)</u>	<u>2,896,806</u>	<u>(3,919,771)</u>
<u>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Property tax collected	-	3,050,000	1,965,909	5,015,909	2,617,992
Interfund receipts (disbursements)	(259,742)	(254,155)	(598,051)	(1,111,948)	1,111,948
Other nonoperating revenues	27,745	71,372	17,500	116,617	8,298
Other nonoperating expenses	(4,000)	(387)	(7,018)	(11,405)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>(235,997)</u>	<u>2,866,830</u>	<u>1,378,340</u>	<u>4,009,173</u>	<u>3,738,238</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Acquisition of capital assets	(954,018)	(5,032,097)	(1,277,797)	(7,263,912)	(229,422)
Capital grants received	-	594,145	67,743	661,888	-
Principal paid on capital debt	-	(385,115)	-	(385,115)	-
Interest paid on capital debt	-	(60,821)	-	(60,821)	-
Contributed capital	-	137,558	-	137,558	-
Net Cash Used for Capital and Related Financing Activities	<u>(954,018)</u>	<u>(4,746,330)</u>	<u>(1,210,054)</u>	<u>(6,910,402)</u>	<u>(229,422)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Investment earnings	-	-	1,606	1,606	225,814
Purchase of investments	-	-	-	-	(338,691)
Net Cash Provided by (Used for) Investing Activities	<u>-</u>	<u>-</u>	<u>1,606</u>	<u>1,606</u>	<u>(112,877)</u>
Net Decrease in Cash and Cash Equivalents	<u>-</u>	<u>-</u>	<u>(2,817)</u>	<u>(2,817)</u>	<u>(523,832)</u>
Cash and Cash Equivalents, Beginning of Year	<u>-</u>	<u>445,936</u>	<u>18,904</u>	<u>464,840</u>	<u>11,850,044</u>
Cash and Cash Equivalents, End of Year	<u>\$ -</u>	<u>\$ 445,936</u>	<u>\$ 16,087</u>	<u>\$ 462,023</u>	<u>\$ 11,326,212</u>

See accompanying notes to the basic financial statements.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2023**

	Business-Type				
	Sewer	Water	Recreation	Total Enterprise Funds	Internal Service Funds
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</u>					
Operating income (loss)	\$ 145,015	\$ 418,623	\$ (1,232,077)	\$ (668,439)	\$ (4,435,383)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation	1,308,486	1,135,151	603,470	3,047,107	303,341
Net change in deferred outflows and inflows	(242,476)	(253,621)	(189,565)	(685,662)	(603,521)
(Increase) decrease in:					
Accounts receivable	48,776	46,174	44,049	138,999	33,369
Inventory	10,312	-	-	10,312	-
Net pension asset	253,624	211,565	149,205	614,394	343,649
Other assets	-	-	(10,000)	(10,000)	(68,448)
Increase (decrease) in:					
Accounts payable	(333,722)	239,211	54,060	(40,451)	165,152
Other liabilities	-	28,681	29,841	58,522	54,446
Deferred revenue	-	-	329,232	329,232	-
Net pension liability	-	53,716	49,076	102,792	287,624
Net Cash Provided by (Used for) Operating Activities	<u>\$ 1,190,015</u>	<u>\$ 1,879,500</u>	<u>\$ (172,709)</u>	<u>\$ 2,896,806</u>	<u>\$ (3,919,771)</u>
<u>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Capital assets purchased through payables	<u>\$ -</u>	<u>\$ 1,339,478</u>	<u>\$ 1,040,840</u>	<u>\$ 2,380,318</u>	<u>\$ -</u>

See accompanying notes to the basic financial statements.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The North Tahoe Public Utility District (the "District") was organized in 1948 for the principal purpose of providing sewage collection and treatment facilities for the residents of the area. The District began providing water services in 1967 with the acquisition of the Brockway Water Company and has since then acquired several small water companies. In 1970, the District established a department for recreational activities. Under its broad powers of service. The general area of the District is located along approximately seven miles of the north shore of Lake Tahoe from the Nevada state line at Crystal Bay to the boundaries of the Tahoe City Public Utility District at Dollar Point, California.

For financial reporting purposes, the District includes all funds that are controlled by or dependent on the District's Board of Directors. Management has determined the District to be a single reporting entity for financial reporting purposes by applying the criteria set forth in Statement of Governmental Accounting Standards No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. This criteria requires the reporting entity to have a separate elected governing body, that it be a legal separate entity and fiscally independent. Based on the foregoing criteria; the District has included in these financial statements the North Tahoe Building Corporation (the "Corporation"), a California nonprofit public benefit corporation. The Corporation is controlled by the same governing authority, utilizes the same management, and is financially dependent upon the District. Its operations are influenced by the District and the District is responsible for its fiscal management, budgetary control, surpluses and deficits, and provides the sole source of its revenues. The Corporation provides financing for the District's renovation of its sewer and water systems. See Note 5 for description of debt outstanding. Separate financial statements for the Corporation may be obtained by contacting Lori Pommerenck, Interim Chief Financial Officer, North Tahoe Public Utility District, P.O. Box 139, Tahoe Vista, CA 96148-0139.

B. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

C. Measurement Focus, Basis of Accounting and Presentation

The basic financial statements of the District have been prepared in conformity with generally accepted accounting principles as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The District applies all applicable GASB pronouncements in its accounting and reporting.

The statement of net position and the statement of revenues, expenses, and changes in net position, are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported. Proprietary fund equity is classified as net position.

The accounts of the District are organized and operated as proprietary funds consisting of three enterprise funds and internal service funds. The operation of a fund is accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenses.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Internal service funds are used to account for the financing of goods or services provided by one department to other departments on a cost-reimbursement basis.

The financial statements of proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include taxes and grants. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The District may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The District's policy is to first apply restricted grant resources to such programs, followed by unrestricted resources if necessary. Restricted amounts are considered to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available.

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the District. Operating revenues consist primarily of charges for services and recreation fees. Nonoperating revenues and expenses consist of those revenues and expenses that are related to financing and investing types of activities and result from nonexchange transactions or ancillary activities.

The District reports three major funds. The Sewer Fund is an enterprise fund that is used to account for the District's provision of sewer and related services and support services. The Water Fund is an enterprise fund that is used to account for the District's provision of water and related services. The Recreation Fund is an enterprise fund that is used to account for the District's provision of recreation related services, including the Event Center. Interfund activity between these funds has been eliminated in the financial statement presentation. Also presented on the basic financial statements are allocations from each major fund to the District's fleet and general and administrative internal service funds.

D. Budgetary Reporting

The District prepares an annual operating budget which is approved and adopted by the Board of Directors. The budget serves as an approved plan to facilitate financial control and operational evaluation. California State law does not require formal adoption of appropriated budgets for enterprise funds.

E. Cash and Cash Equivalents

The District considers cash and all highly liquid debt instruments with original maturities of three months or less to be cash equivalents. The District's cash and cash equivalents consist of cash, deposits in financial institutions, certificates of deposit, savings and cash with fiscal agents (including restricted assets). Cash and cash equivalents invested for specific requirements, such as deposits for construction projects, are segregated as restricted cash and cash equivalents.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Investments

Investments are reported at fair value. Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

G. Fair Value Inputs, Methodologies, and Hierarchy

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the assets. The classification of securities within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

Level 1 - Unadjusted price quotations in active markets/exchanges for identical assets or liabilities that are accessible to the District.

Level 2 - Other observable inputs (including, but not limited to, quoted prices for similar assets or liabilities in markets that are active, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the assets or liabilities (such as interest rates, yield curves, volatilities, loss severities, credit risks and default rates) or other market-corroborated inputs.)

Level 3 - Unobservable inputs based on the best information available in the circumstance, to the extent observable inputs are not available (including the District's own assumptions used in determining the fair value of investments).

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

H. Accounts Receivable

Accounts receivable represent service charges and other revenues billed and uncollected at year-end, along with amounts accrued for items billed after year-end for service periods before year-end. Each year the District records liens for delinquent charges and collects through the property tax bill for active accounts, and pursues full-collection for closed accounts with unpaid balances. Management believes its receivables are fully collectible and, accordingly, no allowance for doubtful accounts is required.

I. Inventory

Inventory is valued at cost, using the first-in first-out method (FIFO). Inventory consists of supplies used in the maintenance of water and sewer lines. The cost is recorded as an expense as inventory items are consumed.

J. Prepaid Expenses

Certain payments for health insurance and liability insurance reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. Capital Assets

Capital assets are defined by the District as assets with an initial cost of \$5,000 or more, and subscription assets with a present value of \$15,000 or more, and with an estimated useful life in excess of one year. Capital assets are stated at cost less accumulated depreciation, except for subscription assets, or the market value at the time received in case of gifts or contributions. Maintenance and repairs are charged to expense as incurred and replacements which improve or extend the lives of property are capitalized. All depreciation/amortization is computed on the straight-line basis over the following useful lives:

	<u>Years</u>
Water and Sewer System	30 - 50
Buildings	30 - 50
Building and Park Improvements	10 - 25
Furniture and Equipment	5 - 15
Vehicles	7
Subscription assets	3 - 6

L. Compensated Absences

The District has accrued a liability for vacation and sick pay which has been earned but not taken by District employees. A maximum of up to 20 days of vacation and 12 days of sick leave per year may be accumulated per employee. Employees are paid between 50% and 75% of their accumulated sick leave depending upon tenure and the nature of their termination. A maximum of three times the employee's annual rate of vacation may be accumulated for employees depending on the employment agreements (Union and Management). The District accrues a liability for compensated absences once the District's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered, the obligation relates to rights that vest or accumulate, payment of the compensation is probable, and the amount can reasonably be estimated.

M. Pension Plan

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Plan investments are reported at fair value.

<u>CalPERS</u>	<u>June 30, 2024</u>	<u>June 30, 2023</u>
Valuation date	June 30, 2022	June 30, 2021
Measurement date	June 30, 2023	June 30, 2022
Measurement period	July 1, 2022 and June 30, 2023	July 1, 2021 to June 30, 2022

Gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense. The amortization period differs depending on the source of the gain or loss. The straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Capital Contributions

Capital contributions are assets contributed by Special Assessment Districts or real estate developers.

O. Subscription-Based Information Technology Arrangements (SBITA)

A SBITA is defined as a contractual agreement that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a minimum contractual period of greater than one year, in an exchange or exchange-like transaction.

The District uses various SBITA assets that it contracts through on-premise and cloud computing arrangements, such as software as a service and platform as a service. The related obligations are presented in amounts equal to the present value of subscription payments, payable during the remaining SBITA term. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

P. Property taxes

Taxes are levied on November 1st and February 1st and are due and payable at that time. Unpaid property taxes are attached as an enforceable lien on property as of March 1st. Property tax revenues are recognized in the fiscal period for which they are levied and in which they become available. The District relies upon the competency of Placer County for assessing the property tax and establishing a lien date, and for billing, collecting and distributing its share of the property tax revenue.

Q. Restricted Resources

The District's policy is to first apply restricted resources when an expense is incurred for purposes which both restricted and unrestricted net position are available.

R. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. Net Position

Net position represents the difference between all other elements in the statement of net position and is displayed in the following three components:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

T. Risk Pools

The District is a member of the Special District Risk Management Authority (SDRMA) which provides workers' compensation coverage for the District in addition to health insurance for management. All costs are currently recorded as direct operating expenses.

U. Comparative Information and Reclassifications

Certain amounts presented in the prior year have been reclassified in order to be consistent with current year's presentation.

V. Implementation of Government Accounting Standards Board Statements

Effective July 1, 2023, the District implemented the following accounting and financial reporting standards:

Governmental Accounting Standards Board Statement No. 99

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to leases, PPPs and SBITAs are effective for the District's fiscal year ending June 30, 2023 and the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the District's fiscal year ending June 30, 2024. Application of this statement had no material impact on the District's financial statements for the fiscal year ending June 30, 2024.

Governmental Accounting Standards Board Statement No. 100

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement had no material impact on the District's financial statements for the fiscal year ending June 30, 2024.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

W. Future Government Accounting Standards Board Statements

These statements are not effective until July 1, 2024 or later and may be applicable for the District. However, the District has not determined what impact, if any, these pronouncements will have on the financial statements.

Governmental Accounting Standards Board Statement No. 101

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for the District's fiscal year ending June 30, 2025.

Governmental Accounting Standards Board Statement No. 102

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this Statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The requirements of this statement are effective for the District's fiscal year ending June 30, 2026.

Governmental Accounting Standards Board Statement No. 103

In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this statement are effective for the District's fiscal year ending June 30, 2026.

Governmental Accounting Standards Board Statement No. 104

In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objectives of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital asset note disclosures required by Statement 34, and also requires additional disclosures for capital assets held for sale. The requirements of this statement are effective for the District's fiscal year ending June 30, 2026.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 2: CASH AND INVESTMENTS

Cash and investments as of June 30, 2024 and 2023 consisted of the following:

	2024	2023
<u>Cash and cash equivalents:</u>		
Unrestricted:		
Cash on hand	\$ 1,600	\$ 1,100
Unrestricted deposits in financial institutions	3,631,322	2,958,038
Deposits in Local Agency Investment Fund (LAIF)	1,420,463	8,829,097
California CLASS	4,004,133	-
Total cash and cash equivalents	\$ 9,057,518	\$ 11,788,235
 <u>Investments:</u>		
Unrestricted:		
U.S. government securities	\$ 234,290	\$ 703,386
Mutual funds	22,142	21,672
Certificates of deposit	2,073,333	902,842
CalPERS trust	444,799	420,019
Total investments	\$ 2,774,564	\$ 2,047,919

Investments Authorized by the California Government Code and the District's Investment Policy

Statutes authorize the District to invest in obligations of the U.S. Treasury, agencies and instrumentalities within the State, State Treasury, bankers' acceptances, and commercial paper of the highest ranking provided by Moody's Investors Service, Inc., or Standard and Poor's Corporation, repurchase or reverse repurchase agreements, and the State Treasurer's Investment Pool.

The investment policy set by the Directors of the District is more conservative than that set by state statute. The policy allows the District treasurer to invest in certificates of deposit, U.S. Treasury Bills, instruments guaranteed by the U.S. Government, Money Market Accounts, and investment in U.S. Government securities, Placer County Investment Fund, and the LAIF.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One way the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities. A portion of the portfolio is always maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for the District's operations and capital improvement program.

In addition, the Investment Policy limits the purchase of securities to those with maturities of five years or less. Longer investments require prior authorization of the Board of Directors. Certain investments that are highly sensitive to interest rate fluctuations are prohibited by the Investment Policy.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity as of June 30, 2024:

Investment Type	Investment Maturities (in years)			
	Fair Value	Less than 1	1-2	3-5
Mutual funds	\$ 22,142	\$ 22,142	\$ -	\$ -
U.S. government securities	234,290	234,290	-	-
Certificates of deposit	2,073,333	1,883,286	190,047	-
CalPERS Trust	444,799	444,799	-	-
	<u>\$ 2,774,564</u>	<u>\$ 2,584,517</u>	<u>\$ 190,047</u>	<u>\$ -</u>

Investments of the District subject to interest rate risk on June 30, 2023 are summarized as follows:

Investment Type	Investment Maturities (in years)			
	Fair Value	Less than 1	1-2	3-5
Mutual funds	\$ 21,672	\$ 21,672	\$ -	\$ -
U.S. government securities	703,386	477,714	225,672	-
Certificates of deposit	902,842	342,315	380,259	180,268
CalPERS Trust	420,019	420,019	-	-
	<u>\$ 2,047,919</u>	<u>\$ 1,261,720</u>	<u>\$ 605,931</u>	<u>\$ 180,268</u>

Concentration of Credit Risk

Concentration of Credit risk is the risk of loss attributed to the magnitude of an investor's investment in a single issuer. To limit this risk, the District places a limit on the amount that can be invested in any one issuer to the lesser of the amount stipulated by the California Government Code or 10% investments, with the exception of U.S. Treasury obligation bonds, U.S. Agency securities, and pooled investment funds.

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the depositor will not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The District's Investment Policy requires the financial institution to either collateralize the deposits or cover them with Federal deposit insurance. The District's cash and deposits in financial institutions, totaling \$3,633,443 as of June 30, 2024, are secured by federal depository insurance for \$250,000 with the remainder covered by collateral held by an agent of the pledging bank in the District's name.

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by the LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF which are recorded on an amortized cost basis.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investment in California CLASS

California CLASS in a Joint Powers Authority created by public agencies to provide a convenient method for agencies to pool their assets for investment purposes. California CLASS is governed by a Board of Trustees made up of experienced local agency executives. The Board sets overall policies for the program and selects and supervises the activities of the investment manager and other agents. Following the investment policy direction established by the Board of Trustees, the primary objective of the investment manager is to safeguard the principal. The secondary objective shall be to meet the liquidity needs of the participants, and the final objective shall be to maximize the yield in a manner consistent with the first two objectives. The objective of the investment policy is to obtain the best possible return commensurate with the degree of risk that participants are willing to assume in obtaining such return. The District invests in the California CLASS Prime Fund. The 30 day yield at June 30, 2024 was 5.4025% and the weighted average maturity was 32 days.

Investment Valuation

The District categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District does not have any investments that are measured using Level 3 inputs.

The following table set forth by level, within the fair value hierarchy, the District's assets at fair value as of June 30, 2024.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 22,142	\$ -	\$ -	\$ 22,142
U.S. government securities	-	234,290	-	234,290
Certificates of deposit	-	2,073,333	-	2,073,333
CalPERS trust	-	<u>444,799</u>	-	<u>444,799</u>
Total investments at fair value	<u>\$ 22,142</u>	<u>\$ 2,752,422</u>	<u>\$ -</u>	<u>\$ 2,774,564</u>

The following table set forth by level, within the fair value hierarchy, the District's assets at fair value as of June 30, 2023.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds	\$ 21,672	\$ -	\$ -	\$ 21,672
U.S. government securities	-	703,386	-	703,386
Certificates of deposit	-	902,842	-	902,842
CalPERS trust	-	<u>420,019</u>	-	<u>420,019</u>
Total investments at fair value	<u>\$ 21,672</u>	<u>\$ 2,026,247</u>	<u>\$ -</u>	<u>\$ 2,047,919</u>

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 3: ACCOUNTS RECEIVABLE

Accounts receivable, presented as current assets as of June 30, 2024 and 2023, consisted of the following:

	<u>2024</u>	<u>2023</u>
Service charges	\$ 911,051	\$ 796,115
Property tax	350,799	365,565
Grants	240,382	1,908,317
Other	<u>232,923</u>	<u>142,779</u>
Total accounts receivable	<u>\$ 1,735,155</u>	<u>\$ 3,212,776</u>

NOTE 4: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2024</u>
Capital assets not being depreciated					
Land and property rights	\$ 7,138,605	\$ -	\$ -	\$ -	\$ 7,138,605
Construction in progress	<u>9,475,866</u>	<u>6,856,301</u>	<u>-</u>	<u>(13,617,377)</u>	<u>2,714,790</u>
Total capital assets not being depreciated	<u>16,614,471</u>	<u>6,856,301</u>	<u>-</u>	<u>(13,617,377)</u>	<u>9,853,395</u>
Capital assets being depreciated/amortized					
Building and improvements	27,864,844	16,741	-	3,749,892	31,631,477
Sewer system	41,036,491	-	-	194,637	41,231,128
Water system	39,147,925	20,088	-	9,578,868	48,746,881
Vehicles and equipment	8,164,961	679,116	-	-	8,844,077
Furniture and office equipment	1,886,358	-	-	93,980	1,980,338
Intangible right-to-use software agreements	<u>520,859</u>	<u>70,778</u>	<u>-</u>	<u>-</u>	<u>591,637</u>
Total capital assets being depreciated/amortized	<u>118,621,438</u>	<u>786,723</u>	<u>-</u>	<u>13,617,377</u>	<u>133,025,538</u>
Less accumulated depreciation/amortization	<u>(68,785,528)</u>	<u>(3,510,737)</u>	<u>-</u>	<u>-</u>	<u>(72,296,265)</u>
Total capital assets being depreciated/amortized, net	<u>49,835,910</u>	<u>(2,724,014)</u>	<u>-</u>	<u>13,617,377</u>	<u>60,729,273</u>
Capital assets, net	<u>\$ 66,450,381</u>	<u>\$ 4,132,287</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,582,668</u>

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 4: CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Capital assets not being depreciated					
Land and property rights	\$ 7,138,605	\$ -	\$ -	\$ -	\$ 7,138,605
Construction in progress	<u>6,732,475</u>	<u>9,534,816</u>	<u>-</u>	<u>(6,791,425)</u>	<u>9,475,866</u>
Total capital assets not being depreciated	<u>13,871,080</u>	<u>9,534,816</u>	<u>-</u>	<u>(6,791,425)</u>	<u>16,614,471</u>
Capital assets being depreciated/amortized					
Building and improvements	25,502,056	-	-	2,362,788	27,864,844
Sewer system	37,277,955	-	-	3,758,536	41,036,491
Water system	38,467,260	193,870	-	486,795	39,147,925
Vehicles and equipment	7,999,255	144,966	-	20,740	8,164,961
Furniture and office equipment	1,723,792	-	-	162,566	1,886,358
Intangible right-to-use software agreements	<u>224,793</u>	<u>296,066</u>	<u>-</u>	<u>-</u>	<u>520,859</u>
Total capital assets being depreciated/amortized	<u>111,195,111</u>	<u>634,902</u>	<u>-</u>	<u>6,791,425</u>	<u>118,621,438</u>
Less accumulated depreciation/amortization	<u>(65,435,080)</u>	<u>(3,350,448)</u>	<u>-</u>	<u>-</u>	<u>(68,785,528)</u>
Total capital assets being depreciated/amortized, net	<u>45,760,031</u>	<u>(2,715,546)</u>	<u>-</u>	<u>6,791,425</u>	<u>49,835,910</u>
Capital assets, net	<u>\$ 59,631,111</u>	<u>\$ 6,819,270</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 66,450,381</u>

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 4: CAPITAL ASSETS (CONTINUED)

Construction in progress as of June 30, 2024 consisted of the following:

<u>Fund</u>	<u>Project Description</u>	<u>Amount</u>
Sewer	Packaged Satellite Sewer Pump Station Improvement	\$ 1,920,009
Sewer	Sewage Export System	6,438
Sewer	Packaged Satellite Sewer Pump Station Improvement	118,869
Water	Brockway Vista	107,574
Water	National Ave Water Treatment Plant	8,014
Water	Trout Fire Protection Water Infrastructure	861
Water	CW Booster Station 2 pump	7,851
Water	Small Projects	2,838
Water	Carnelian Woods Brook Fox Water Service	1,322
Recreation	Wayfinding and Destination Signage	63,906
Recreation	NTEC Emergency Generator	121,932
Recreation	Customer Irrigation Rebate	1,720
Recreation	NTEC Architectural Planning Study	149,955
Recreation	Joint Needs Analysis	41,963
Recreation	Park Facility Improvements	11,081
Recreation	NTRP Multi-Purpose Trail	52,826
Recreation	Pickleball Plaza Improvements	17,103
Recreation	Secline Property Improvements	3,080
Recreation	Small Projects	4,083
General Administration	Corporation Yard Layout	15,318
General Administration	Administration Building Roof Improvements	22,988
General Administration	Base Facility Detention Pond Fencing	9,314
General Administration	Server and Network Equipment Replacement	25,745
		<u>\$ 2,714,790</u>

Construction in progress as of June 30, 2023 consisted of the following:

<u>Fund</u>	<u>Project Description</u>	<u>Amount</u>
Sewer	National Ave. Pump Station - Transmitter Enclosures	\$ 899,998
Sewer	Packaged Satellite Sewer Pump Station Improvement	120
Water	Cybersecurity Assessment Implementation	15,786
Water	Golden and Rainbow Watermain 710	6,899,496
Water	Brockway Vista	37,941
Recreation	Wayfinding Sign	125,902
Recreation	Forest Fuel Reduction	18,573
Recreation	Wayfinding and Destination Signage	55,479
Recreation	Joint Needs Analysis	158,992
Recreation	NTEC Emergency Generator	63,824
Recreation	Regional Park Trailhead Project	57,567
Recreation	NTEC Architectural Planning Study	132,380
Recreation	NTRP Irrigation Upgrade Project	68,200
Recreation	Regional Park Tennis/Pickleball Court	936,816
General Administration	Computer Replacement	4,792
		<u>\$ 9,475,866</u>

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 4: CAPITAL ASSETS (CONTINUED)

Depreciation expense for the years ended June 30, 2024 and 2023 was charged to the enterprise activities as follows:

	2024	2023
Sewer	\$ 1,191,244	\$ 1,308,486
Water	1,252,689	1,135,151
Recreation	759,657	603,470
Fleet and Equipment	307,147	303,341
General and Administrative	-	-
	\$ 3,510,737	\$ 3,350,448

NOTE 5: LONG TERM LIABILITIES

A summary of long-term liability activity for the years ended June 30, 2024 and 2023 are as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Installment Note	\$ 1,249,993	\$ -	\$ (400,477)	\$ 849,516	\$ 416,452
Subscription (SBITA) liability	307,307	70,757	(100,544)	277,520	109,116
Total - June 30, 2024	\$ 1,557,300	\$ 70,757	\$ (501,021)	\$ 1,127,036	\$ 525,568
Installment Note	\$ 1,635,108	\$ -	\$ (385,115)	\$ 1,249,993	\$ 400,477
Subscription (SBITA) liability	186,670	245,212	(124,575)	307,307	96,331
Total - June 30, 2023	\$ 1,821,778	\$ 245,212	\$ (509,690)	\$ 1,557,300	\$ 496,808

Installment Note

On September 1, 2010, the District entered into an installment sale agreement (the "Agreement") for \$4.5 million to finance the construction of certain capital facilities related to the District's water acquisition, storage, and distribution system consisting primarily of a water storage tank and appurtenances. The Agreement's interest rate is 3.95% and is payable semi-annually. Principal repayment began in August 2013 and concludes on February 1, 2026. Total interest incurred during the years ended June 30, 2024 and 2023 was \$38,867 and \$54,483, respectively. All interest during both years was expensed. Loan is collateralized by the asset described.

Principal and interest maturities of long-term debt are as follows:

Years ending June 30,	Principal	Interest	Total
2025	\$ 416,452	\$ 29,484	\$ 445,936
2026	433,064	12,872	445,936
Total payments	\$ 849,516	\$ 42,356	\$ 891,872

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 5: LONG TERM LIABILITIES (CONTINUED)

Subscriptions (SBITAs)

The District has entered into subscription-based information arrangements (SBITAs) involving various software subscriptions. The total costs of the District's subscription assets are recorded as \$591,637, less accumulated amortization of \$249,829.

<u>Years ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 109,116	\$ 16,278	\$ 125,394
2026	118,915	9,854	128,769
2027	<u>49,489</u>	<u>2,896</u>	<u>52,385</u>
Total payments	<u>\$ 277,520</u>	<u>\$ 29,028</u>	<u>\$ 306,548</u>

NOTE 6: PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of a safety risk pool and a miscellaneous risk pool which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the District. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety and miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the safety or miscellaneous pools. The District's employer rate plans in the miscellaneous risk pool include the Miscellaneous plan (Miscellaneous) and the PEPRA Miscellaneous plan (PEPRA Miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 6: PENSION PLAN (CONTINUED)

The rate plan's provisions and benefits in effect at June 30, 2024 and 2023, are summarized as follows:

Hire Date	Hired prior to January 1, 2013		Hired on or after January 1, 2013	
Benefit Formula	2.0% @ 55		2.0% @ 62	
Benefit Vesting Schedule	5 years service		5 years service	
Benefit Payments	monthly for life		monthly for life	
Retirement Age	50		52	
Monthly Benefits, as a % of Eligible Compensation	1.462% to 2.418%		1.0% to 2.5%	
Required Employee Contribution Rates	6.92%		7.750%	
	2024		2023	
Required Employer Contribution Rates	11.840%	10.350%	7.680%	7.470%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's contributions to the Plan for the years ended June 30, 2024 and 2023 were \$1,076,888 and \$424,499, respectively.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2024 and 2023, the District reported a net pension liability of \$674,114 and 324,699 for its proportionate share of the net pension liability of the Plan.

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2023, and the total pension liability of the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022 rolled forward to June 30, 2023 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability of the Miscellaneous Plan as of the measurement date June 30, 2023 was as follows:

Proportion - June 30, 2022	0.00694 %
Proportion - June 30, 2023	<u>0.01348 %</u>
Change - increase	<u>0.00654 %</u>

The District's proportionate share of the net pension liability (asset) of the Miscellaneous Plan as of the measurement date June 2022 was as follows:

Proportion - June 30, 2021	(0.05392)%
Proportion - June 30, 2022	<u>0.00694 %</u>
Change - increase	<u>0.06086 %</u>

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 6: PENSION PLAN (CONTINUED)

For the years ended June 30, 2024 and 2023, the District recognized pension expense of \$778,385 and \$483,772, respectively. Pension expense is comprised of various elements including service cost, interest, changes in benefit terms, investment experience, and amortization of deferred outflows and inflows of resources, which are all factors used by the actuaries in the calculation of net pension liability.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 1,076,888	\$ -
Adjustment due to differences in proportions	187,475	35,760
Difference between actual and expected experience	129,429	18,896
Changes in assumptions	143,973	-
Difference between actual and required contributions	106,828	29,183
Net difference between projected and actual earning on plan investments	494,773	-
Total	\$ 2,139,366	\$ 83,839

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 424,499	\$ -
Adjustment due to differences in proportions	121,532	56,796
Difference between actual and expected experience	42,721	30,012
Changes in assumptions	228,665	-
Difference between actual and required contributions	169,668	15,788
Net difference between projected and actual earning on plan investments	523,121	-
Total	\$ 1,510,206	\$ 102,596

The reported deferred outflows of resources related to contributions subsequent to the measurement date of \$1,076,888 will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended June 30,			
2025	\$	339,436	
2026		230,953	
2027		393,859	
2028		14,391	
Total	\$	978,639	

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 6: PENSION PLAN (CONTINUED)

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry-age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return (2)	6.80% net of pension plan investment expenses, includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies.

(1): The mortality table used was developed based on CalPERS' specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report that can be found on the CalPERS website.

Effective with the June 30, 2021 valuation date (2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated, combined with risk estimates, and are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return. In addition, demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 6: PENSION PLAN (CONTINUED)

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical and forecasted information for all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects long-term expected real rate of return by asset class as of June 30, 2023 and 2022. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

<u>Asset class</u>	<u>Assumed asset allocation</u>	<u>Real return years 1-10 (1)</u>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00)%	(0.59)%

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021-2022 Asset Liability Management study.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 6: PENSION PLAN (CONTINUED)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

At June 30, 2024 the discount rate comparison was the following:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net pension liability	\$2,247,678	\$674,114	\$(621,067)

At June 30, 2023 the discount rate comparison was the following:

	Discount Rate - 1% 5.90%	Current Discount Rate 6.90%	Discount Rate + 1% 7.90%
Net pension liability	\$1,719,157	\$324,669	\$(822,596)

Allocation Between the District's Funds

The net pension liability has been allocated to the District's enterprise funds based on their respective percentage of total annual pensionable wages.

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports. The annual financial report can be obtained at calpers.ca.gov.

NOTE 7: DEFINED CONTRIBUTION PLAN

The District has a defined contribution money purchase pension plan (the North Tahoe Public Utility District Money Purchase Pension Plan) maintained by Officers of the District as trustees. No other entity contributed to this plan. The last contribution to this plan was made on August 27, 2010 when the District transitioned to a defined benefit plan with California Public Employees' Retirement System (CalPERS).

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 8: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft, damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters.

The District purchases commercial property insurance for real and personal property damage owned by the District with coverage up to a maximum of \$16.5 million with blanket coverage extension of \$2 million. The District also purchases property insurance covering unscheduled contractor's equipment, scheduled equipment, and rented equipment.

The District purchases general liability and management liability insurance coverage up to policy term aggregate limits of \$10 million each subject to various sub-policy limits, generally \$1 million for various activities. The District also maintains insurance coverage related to employee dishonesty and crime of \$10 million aggregate. Finally, the District maintains commercial automobile insurance for vehicle related property damage with coverage up to a maximum of \$1.0 million and commercial umbrella insurance or excess liability coverage up to a maximum of \$10 million.

NOTE 9: COMMITMENTS AND CONTINGENCIES

Construction Commitments

The District has entered into design and construction commitments totaling \$16,260,187 and \$12,986,413 for years ended June 30, 2024 and 2023, respectively. As of June 30, 2024 the amount earned on the contracts was \$13,702,215 with a remaining balance of \$2,557,972. As of June 30, 2023, the amount earned on contracts was \$8,256,175 with a remaining balance of \$4,730,238.

Litigation

The District has received federal and state grants for specific purposes that are subject to review and audit by the federal and state government. Although such audits could result in expenditure being disallowed under grant terms, any required reimbursements are not expected to be material.

The District is also subject to legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to such actions will not materially affect the financial position or results of operations of the District.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

NOTE 10: JOINT POWERS AUTHORITY

The District is a member of a joint powers authority, Special District Risk Management Authority (SDRMA), for the operation of a common risk management and insurance program. The program covers workers' compensation and medical, dental, and vision coverage. SDRMA is governed by a Board of Directors consisting of representatives from member agencies, which controls the operations of the SDRMA, including selection of management and approval of operating budgets.

The following is a summary of the most current audited financial information for SDRMA as of June 30, 2023 (the most recent information available):

Total assets	\$ 148,239,191
Total liabilities	76,717,988
Net assets	71,521,203
Total income	100,884,445
Total expense	96,706,371

The relationships between North Tahoe Public Utility District and the joint powers authorities are such that SDRMA is not considered a component unit of the District for financial reporting purposes.

NOTE 11: VOTER LEGISLATION

Proposition 218, which was approved by the voters in November 1996, regulates the District's ability to impose, increase, and extend assessments and fees. Any new, increased, or extended assessments and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these assessments and fees are subject to the voter initiative process and may be rescinded in the future by the voters.

NOTE 12: SUBSEQUENT EVENTS

Management has evaluated events subsequent to June 30, 2024 through December 5, 2024, the date on which the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**NORTH TAHOE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2024
LAST 10 YEARS**

	Measurement Period				
	2023	2022	2021	2020	2019
Proportion of the net pension liability (asset)	0.00540 %	0.00281 %	(0.01893)%	0.00191 %	0.00014 %
Proportionate share of the net pension liability (asset)	\$ 674,114	\$ 324,699	\$(1,023,758)	\$ 207,666	\$ 14,642
Covered payroll	\$ 4,795,536	\$ 3,980,826	\$ 3,946,442	\$ 3,611,610	\$ 3,338,200
Proportionate share of the net pension liability as a percentage of covered payroll	14.06 %	8.16 %	(25.94)%	5.75 %	0.44 %
Plan fiduciary net position as a percentage of the total pension liability	94.21 %	96.83 %	111.04 %	97.30 %	99.78 %

Notes to Schedule:

Benefit changes: In 2015, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in assumptions: In November 2021, the CalPERS Board of Administration adopted new investment portfolios as well as several changes to actuarial assumptions. For PERF C, these changes were implemented in the June 30, 2021, actuarial valuations for funding purposes. Included in these changes were assumptions for inflation, the discount rate, and administrative expenses, as well as demographic assumptions including changes to mortality rates. The inflation assumption was reduced from 2.50 percent to 2.3 percent, the administrative expense assumption was reduced from 0.15 percent to 0.10 percent, and the discount rate was reduced from 7.00 percent to 6.80 percent. As a result, for financial reporting purposes, the discount rate for the PERF C was lowered from 7.15 percent to 6.90 percent in Fiscal Year 2021-22. In 2021, 2020 and 2019, there were no changes. In 2018, the demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

**NORTH TAHOE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS**

	Measurement Period				
	2018	2017	2016	2015	2014
Proportion of the net pension liability (asset)	0.00489 %	0.00517 %	0.00411 %	0.00327 %	0.00453 %
Proportionate share of the net pension liability (asset)	\$ 471,608	\$ 513,101	\$ 355,920	\$ 224,584	\$ 285,489
Covered payroll	\$ 3,512,806	\$ 3,315,324	\$ 2,891,320	\$ 2,950,176	\$ 2,794,438
Proportionate share of the net pension liability as a percentage of covered payroll	13.43 %	15.48 %	12.31 %	7.61 %	10.22 %
Plan fiduciary net position as a percentage of the total pension liability	91.15 %	87.37 %	88.59 %	90.71 %	83.03 %

**NORTH TAHOE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN
AS OF JUNE 30, 2024
LAST 10 YEARS**

	Fiscal Year-End				
	2024	2023	2022	2021	2020
Contractually required contribution (actuarially determined)	\$ 455,681	\$ 424,499	\$ 366,067	\$ 372,171	\$ 331,781
Contributions in relation to the actuarially determined contributions	<u>(1,076,888)</u>	<u>(424,499)</u>	<u>(746,276)</u>	<u>(372,171)</u>	<u>(331,781)</u>
Contribution deficiency (excess)	<u>\$ (621,207)</u>	<u>\$ -</u>	<u>\$ (380,209)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 5,046,185	\$ 4,795,536	\$ 3,980,826	\$ 3,946,442	\$ 3,811,416
Contributions as a percentage of covered payroll	21.34 %	8.85 %	18.75 %	9.43 %	8.70 %

**NORTH TAHOE PUBLIC UTILITY DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF CONTRIBUTIONS TO THE COST SHARING DEFINED BENEFIT PENSION PLAN (CONTINUED)
AS OF JUNE 30, 2024
LAST 10 YEARS**

	Fiscal Year-End				
	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	\$ 313,767	\$ 307,059	\$ 262,942	\$ 301,229	\$ 284,446
Contributions in relation to the actuarially determined contributions	<u>(883,562)</u>	<u>(298,327)</u>	<u>(267,180)</u>	<u>(301,229)</u>	<u>(284,446)</u>
Contribution deficiency (excess)	<u>\$ (569,795)</u>	<u>\$ 8,732</u>	<u>\$ (4,238)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 3,338,200	\$ 3,512,806	\$ 3,315,324	\$ 2,891,320	\$ 2,950,176
Contributions as a percentage of covered payroll	9.40 %	8.74 %	7.93 %	10.42 %	9.64 %

Supplementary Information

**NORTH TAHOE PUBLIC UTILITY DISTRICT
COMPARISON OF BUDGET TO ACTUAL
JUNE 30, 2024**

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget - Positive (Negative)
Revenues:				
Service charges	\$ 9,389,789	\$ 9,389,789	\$ 9,635,991	\$ 246,202
Recreation events and programs	1,262,052	1,262,052	1,412,546	150,494
Property taxes/CFD 94-1	7,002,900	7,002,900	8,011,635	1,008,735
Investment income (loss)	45,000	45,000	285,690	240,690
Grants	1,303,797	1,303,797	1,537,957	234,160
Miscellaneous	<u>439,700</u>	<u>439,700</u>	<u>462,324</u>	<u>22,624</u>
	<u>\$ 19,443,238</u>	<u>\$ 19,443,238</u>	<u>\$ 21,346,143</u>	<u>\$ 1,902,905</u>
Expenses:				
Direct operating expenses	13,269,245	13,269,245	13,269,891	646
Administration and general	100,000	100,000	-	(100,000)
Depreciation	3,748,716	3,748,716	3,510,737	(237,979)
Interest expense	38,868	38,868	38,867	(1)
Other nonoperating expenses	<u>-</u>	<u>-</u>	<u>62,048</u>	<u>62,048</u>
	<u>17,156,829</u>	<u>17,156,829</u>	<u>16,881,543</u>	<u>(275,286)</u>
Total Positive(Negative) Variance	<u>\$ 2,286,409</u>	<u>\$ 2,286,409</u>	<u>\$ 4,464,600</u>	<u>\$ 2,178,191</u>

Other Reports



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
North Tahoe Public Utility District
Tahoe Vista, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and each major fund of the North Tahoe Public Utility District (the "District"), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 5, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered North Tahoe Public Utility District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect, and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

MUN CPAs, LLP

Sacramento, California
December 5, 2024



December 5, 2024

To the Board of Directors
North Tahoe Public Utility District

We have audited the financial statements of the business-type activities of North Tahoe Public Utility District (the "District") for the year ended June 30, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 30, 2024. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by North Tahoe Public Utility District are described in Note 1 to the financial statements. During 2024 the District adopted Governmental Accounting Standards Board (GASB) Standards No. 99 and 100. We noted no transactions entered into by North Tahoe Public Utility District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the District's financial statements were:

Management's estimate of the District's net pension liability/asset is based on actuarial valuations. We evaluated the key factors and assumptions used to develop the net pension liability in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of depreciation is based on the asset's useful life. We evaluated the key factors and assumptions used to develop the depreciation in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of the District's proportionate share of the net pension liabilities in Note 6 to the financial statements and in the Required Supplementary Information. The disclosures are based on actuarial studies and assumptions about future events that could vary significantly from actual amounts incurred in the future.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements identified during our audit procedures.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 5, 2024.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as North Tahoe Public Utility District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis (MD&A), the schedule of the District's proportionate share of the net pension liability, and the schedule of contributions to the cost-sharing defined benefit pension, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of North Tahoe Public Utility District and management of North Tahoe Public Utility District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

MUN CPAs, LLP

MUN CPAs, LLP

NORTH TAHOE PUBLIC UTILITY DISTRICT

MANAGEMENT REPORT
FOR THE YEAR ENDED
JUNE 30, 2024

MUN CPAs, LLP
1760 Creekside Oaks Drive, Suite 160
Sacramento, California 95833



MANAGEMENT REPORT

To Board of Directors
North Tahoe Public Utility District
Tahoe Vista, California

In planning and performing our audit of the financial statements of the business-type activities of North Tahoe Public Utility District as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered North Tahoe Public Utility District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of North Tahoe Public Utility District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, Board of Directors, and others within the North Tahoe Public Utility District, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sincerely,

MUN CPAs, LLP

MUN CPAs, LLP
Sacramento, California
December 5, 2024

**NORTH TAHOE PUBLIC UTILITY DISTRICT
SUMMARY OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2024**

No current or prior year findings or recommendations

**NORTH TAHOE PUBLIC UTILITY DISTRICT
INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED UPON PROCEDURES
APPROPRIATIONS LIMIT CALCULATION
AS OF JUNE 30, 2024**



INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors of
North Tahoe Public Utility District
Tahoe Vista, California

We have performed the procedures enumerated below, which were agreed to by North Tahoe Public Utility District (the District) and the League of California Cities (as presented in the publication entitled Agreed-upon Procedures Applied to Appropriations Limitation Prescribed by Article XIII-B of the California Constitution), on the accompanying Appropriations Limit Calculation of North Tahoe Public Utility District, for the year ended June 30, 2024. North Tahoe Public Utility District management is responsible for the Appropriations Limit Calculation. The sufficiency of these procedures is solely the responsibility of the District and the League of California Cities. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below, either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

1. We obtained the completed internal calculations and compared the limit and annual adjustment factors included in those calculations to the limit and annual adjustment factors that were adopted by a resolution of the Board of Directors. We compared the population and inflation options included in the aforementioned calculations to those that were selected by a recorded vote of the Board of Directors.

Finding: No exceptions were noted as a result of our procedures.

2. For the Appropriations Limit Calculation, we added the June 30, 2023 appropriations limit to the annual permitted adjustments and agreed the resulting amount to the June 30, 2024 appropriations limit.

Finding: No exceptions were noted as a result of our procedures.

3. We compared current year information presented in the appropriations limit calculation to supporting worksheets.

Finding: No exceptions were noted as a result of our procedures.

4. We compared the June 30, 2024 appropriations limit presented in the appropriations limit calculation to the prior year appropriations limit adopted by the Board of Directors during the prior year.

Finding: No exceptions were noted as a result of our procedures.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the Appropriations Limit Calculation. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the specified users listed above and is not intended to be and should not be used by anyone other than those specified parties. The purpose of the report is to assist the District in meeting the requirements of Section 1.5 of Article XIIB of the California Constitution, and the report is not suitable for any other purpose.

MUN CPAs, LLP

Sacramento, California
September 26, 2024

NORTH TAHOE PUBLIC UTILITY DISTRICT
APPROPRIATIONS LIMIT CALCULATION
JUNE 30, 2024

	Amount	Source
A. Prior year's appropriations limit (at June 30, 2023)	\$ <u>14,297,404</u>	
B. Adjustment factors for the current fiscal year:		
1. Population change	0.9921	* State Finance
2. Inflation (per capita personal income change)	<u>1.0444</u>	* State Finance
Total adjustment	<u>1.0361</u>	* B1 x B2
C. Annual adjustment	516,840	A x (B -1)
D. Other Adjustments		
Lost responsibility (-)	-	
Transfer to fees (-)	-	
Assumed responsibility (+)	<u>-</u>	
	<u>-</u>	
E. Total adjustments	<u>516,840</u>	C + D
F. Current year's appropriations limit (at June 30, 2024)	\$ <u><u>14,814,244</u></u>	A + E

* Rounded to the nearest ten thousandth

Summary of Audit Results

North Tahoe Public Utility District
Year Ended June 30, 2024

**Presenter: Bradley J. Bartells, CPA,
Partner**

Audit Process



- **Audit Responsibilities:**
 - **Financial Statements - Responsibility of Management**
 - **MUN – Form Independent Opinion on Financial Statements**

Audit Process: Interim Phase – July & August 2024



- **Planning & Risk Assessment**
 - **Analytical review, board minute review, management inquiry**
- **Documentation of Processes and Tests of Controls**
 - **Receipts/Revenue**
 - **Disbursements/Expenses**
 - **HR and Payroll**
 - **Financial Reporting**
- **Review of Prior Year Findings**

Audit Process: Year End Phase – Week of September 23, 2024



- **Testing of Year-End Balances and Activity**
 - **Cut off testing**
 - **Analytical review procedures**
 - **Confirmation of balances**
 - **Detail transaction testing**
 - **Footnote testing**

Audit Process: Completion Phase – October & November 2024



- **File review & completion**
- **Financial statement preparation**
- **Subsequent events evaluations**

Audit Process



- **Year-End Areas of Focus:**
 - **Cash & cash equivalents**
 - **Investments**
 - **Valuation of receivables**
 - **Capital assets**
 - **Net pension liability/asset**

Audit Process



- **Year-End Areas of Focus – Con't:**
 - **Accruals and expense timing**
 - **Long-term debt**
 - **Net position presentation**
 - **Revenue recognition & classification**
 - **Disclosures and footnotes**

Audit Results



- **Reporting Results of the Audit**
 - **Audit Opinion - Independent Auditor's Report**
 - **Government Auditing Standards Report**
 - **Communication with Those Charged with Governance**
 - **Management Letter**

Audit Results



- **Independent Auditor's Report**
 - **Types of Opinions - Unmodified, Qualified, Adverse or Disclaimer**
 - **North Tahoe Public Utility District - Unmodified Opinion**
 - **"Clean" Audit Opinion**

Audit Results



- **Government Auditing Standards Report**
 - **No Material Weaknesses**
 - **No Compliance Exceptions**
 - **No Significant Deficiencies**

Audit Results



- **Communication with Those Charged with Governance - SAS 134**
 - **Accounting Policies**
 - **Adoption of GASB 99 & 100**
 - **Significant Estimates:**
 - **Depreciation**
 - **Net pension liability/asset**

Audit Results



- **Communication with Those Charged with Governance- SAS 134 (con't)**
 - **No difficulties with management**
 - **No audit adjustments**
 - **No uncorrected misstatements**

Audit Results



- **Management Letter:**
- **No Material Weaknesses**
- **No Significant Deficiencies**
- **No Control Deficiencies**
- **No Prior Year Findings**

Conclusion Summary



- **Unmodified Opinion**
- **No Audit Adjustments**
- **No Material Weaknesses**
- **No Significant Deficiencies**
- **No Compliance Exceptions**

Other Items



- **North Tahoe Building Corp Form 990 preparation in process**
- **State Controller Report (Financial Transactions Report) submission in process**

THANK YOU.

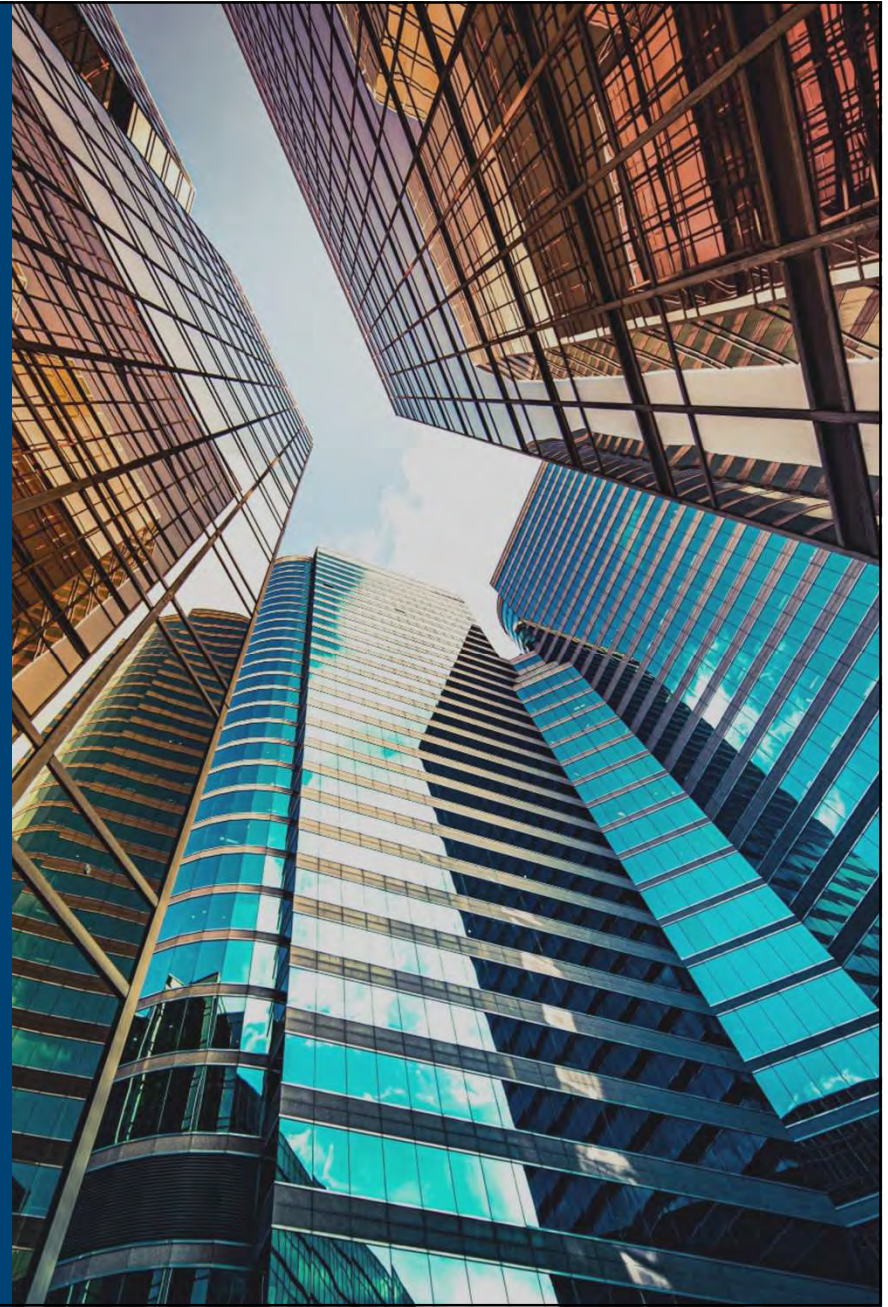
Bradley Bartells, CPA
Partner



bjb@muncpas.com

916-929-0540

www.muncpas.com





NORTH TAHOE PUBLIC UTILITY DISTRICT

DATE: December 10, 2024

ITEM: G-3

FROM: Recreation, Parks & Facilities Department

SUBJECT: Review, Discuss, and Possibly Appoint Three Recreation and Parks Commissioners – Three-Year Terms (1/1/25 through 12/31/27) and One Alternate Recreation and Parks Commissioner – One-Year Term (1/1/25 through 12/31/25)

RECOMMENDATION:

That the Board of Directors appoint Michael Stoltzman, Ingrid Heggen, and Nancy Williams as Recreation and Parks Commissioners for three-year terms (1/1/25 through 12/31/27) and appoint Sarah Lagano as an Alternate Recreation and Parks Commissioner for the remainder of the vacated one-year term (1/1/25 through 12/31/25).

BACKGROUND:

In accordance with the Recreation and Park Commission By-laws, the Board of Directors of the North Tahoe Public Utility District appoints Commissioners and Alternate Commissioners (Alternates) to three-year terms. At the end of their three-year term, incumbent Commissioners and Alternates can be re-appointed by the Board or replaced with new applicants.

On December 31, 2024, the terms of three Commissioners will expire: Michael Stoltzman, Ingrid Heggen, and Linda Slack-Cruz. At the August 22, 2024, Commission meeting, District Staff and the Commission discussed the incumbent Commissioners' interest in serving an additional term. Commissioners Michael Stoltzman and Ingrid Heggen expressed interest in serving another term. Linda Slack-Cruz opted to tender her resignation, effective August 2024, with the remainder of the term being filled by the Commission Alternates.

Staff advertised the open seats beginning on September 25, 2024 and we received eight applications. These applications included incumbents Stoltzman and Heggen as well as Alternate Commissioner Nancy Williams. Five (5) additional applications were also received from NTPUD residents (Christine Bettera, Heidi Bushway Verkler, Kimberly Dunn, Sara Lagano and Kirk Misiewicz). The Board of Directors reviewed the two (2) incumbents' applications at the November 12, 2024 Board meeting and opted not to appoint them at that meeting. Instead, it was the Board's direction to have the incumbents be considered by the Commission with the full pool of eight (8) applicants.

At the joint meeting of the Recreation and Parks Commission and Committee, held on December 4, 2024, all eight (8) applicants were invited to present and introduce themselves for consideration by the Commissioners and Committee. Of the eight (8) applicants, six (6) gave a verbal presentation for their candidacy. Stoltzman, Heggen, and Williams recused themselves from the recommendation process and vote but did give presentations on their

behalf. The deliberation was conducted by Commissioners Sean O'Brien and Ed Rudloff, Alternate Commissioner Jill Amen, and with input from Recreation Committee members Sue Daniels and Alex Mourelatos (substituting for Director Danielle Hughes).

The Commission unanimously voted to recommend the appointment of Stoltzman, Heggen, and Williams to serve the three-year terms as Commissioners. The Commission also selected Sara Lagano to fill the remainder of the vacated Alternate Commissioner term created by appointing Williams to a full Commission term.

The Commission also recommended the possibility of expanding the Recreation and Parks Commission by two seats to seven (7) members. As the Commission By-laws explicitly state the Commission to consist of five (5) members with two (2) alternates, any changes to this number would have to be made through formal changes to the Commission By-laws by the Board of Directors. The Board should discuss this option and, if it is the desire of the Board, By-laws changes would need to be agendized for a future meeting.


After the Commission meeting, staff received notice that Jill Amen, the existing Alternate Commissioner, will be resigning effective December 31, 2024. This leaves one additional Alternate Commissioner seat vacated and open for discussion and appointment at a future meeting. Staff recommends bringing the vacancy to the Commission at the next scheduled meeting on February 13, 2025.


Included in your packet are the eight (8) Recreation Commissioner applications. It is the recommendation of staff to endorse the Commission recommendations and select Stoltzman, Heggen and Williams to serve the three-year terms as Commissioners and Sara Lagano to fill the remaining year as Alternate Commissioner.

ATTACHMENTS:

- Applications (8) for Recreation and Parks Commission seats

REVIEW TRACKING:

Submitted By: 
Amanda Oberacker
Recreation, Parks, and Facilities Manager

Approved By: 
Bradley A. Johnson, P.E.
General Manager/CEO

Applications
Recommended by the
Recreation & Parks
Commission
for Commissioner
Seats

Michael W. Stoltzman

Parks & Recreation Commission
Application



NORTH TAHOE PUBLIC UTILITY DISTRICT

RECREATION AND PARKS COMMISSION APPLICATION

Name of applicant: Michael W. Stoltzman

Address: **(Applicant must live or own a business in the North Tahoe Public Utility District to be eligible)**

<u>[Redacted]</u>	<u>Kings Beach, CA</u>	<u>96143</u>
Mailing	City/State	Zip
<u>[Redacted]</u>	<u>Tahoe Vista, CA</u>	<u>96148</u>
Physical Address	City/State	Zip

Day phone: [Redacted] Evening phone: Same

E-mail: [Redacted] Length of NTPUD Residency: 8 Years

Reasons for interest

For the past 6+ years on the Commission, I have enjoyed being involved and providing assistance in a way that is beneficial to the public. I have a strong interest in continuing in my role and know I can make a positive impact.

Employment History

I have worked as a real estate attorney for the past 10+ years. Prior to going to law school and business school
I worked in the car insurance industry. Prior to that, during high school and as a young adult, I worked and/or
volunteered at local sports recreation facilities, including organizing leagues and coaching youth teams.

Qualifications – Include training, education and experience related to appointment

I believe my work experience provides me a great knowledge base that would serve me well in any
appointment. I have also been involved in sports all of my life and have been involved in the organization
of leagues and worked for sports recreation facilities in the past, including coaching youth hockey teams.

Community Activities (Include NTPUD meetings attended and how often)

For the past 6+ years, I have served on the Commission, while being the Chairperson for several of those years. I
believe I have contributed to the Commission in a positive way and look forward to continuing in that role, if
allowed to do so.

I have read the Bylaws and understand the commitments set forth therein.

Signature: /s/ Michael Stoltzman Date: October 9, 2024

District Approved: Yes: _____ No: _____

Date of Approval: _____

Ingrid McKay Heggen

Parks & Recreation Commission
Application

**North Tahoe Public Utility District
Recreation and Parks Commission Application
Applicant: Ingrid McKay Heggen**

Reasons for interest:

My family and I enjoy the trails, beaches and parks maintained by NTPUD and I am passionate about our parks and recreation areas and programs being the best that they can be. This would be an opportunity to continue to guide the recreation and parks vision and help bring the recreation programs to a broader audience. I have a seven year old daughter and four year old son and it is important to me that they and the other children in our community are provided with opportunities to recreate in this beautiful place. Being a liaison between the community and NTPUD board, so the board can better understand what is important to the broader community. I have a strong desire to improve the area I live in, and I have appreciated the opportunity to participate on the Recreation and Parks Commission this past 6 years. Seeing firsthand the impact of the improvements and additions to NTRP have had on our community and looking to the future of new programs and the benefits they can provide to all ages of our community.

Qualifications:

As a civil engineer I have worked with many municipalities during my career and I have had the opportunity to see how much a community prospers with participation from its residents. I have been the city engineer for small municipalities, a consultant to county commissions, water boards and assisted with planning and zoning commissions. I have prepared engineering reports, helped secure funding for projects ranging from millions of dollars to a few thousand dollars, and have done the design and construction management for those projects. I know the importance of working together, listening to others of differing opinions and how that enhances the final outcome.

Nancy Williams

Parks & Recreation Commission
Application

Nancy Williams

How long have you lived in the District?

- Resident for total of 21 years since 1990, Business owner for the past 26 years

Why are you interested in serving as a Candidate on the NTPUD Recreation and Parks Commission?

- I have been a visitor to or resident of North Lake Tahoe since age 3. I have been a user of most of the NTPUD-owned or concession-operated recreation amenities over the years, including ski/hike/bike trails, softball fields, community events, Tahoe Treetop Adventure, and the kayak rack/launch, to name some. I have seen the NTRP expand in both its offerings and its use by the community over the years. I would like to help ensure its continued success and increased use, especially by locals, as well as the continued refinement of our fine community programs. I would enjoy helping to guide projects to improve the NTEC and Secline Beach, and to assess the feasibility of a possible future recreation facility on Dollar Hill in collaboration with TCPUD.
- In the interest of full disclosure, I wish to note that my husband and I no longer live in the NTPUD district, although it had been our intention to live our our lives in Tahoe Vista. However, the recent harsh winter and health considerations led us to wonder if there might be a better place for us as we age than where we were living. We unexpectedly stumbled upon a perfect place for us in Incline and were surprised to realize that there seems to be almost nothing like it (condo with garage) on the California side. We moved there earlier this year. My heart remains in California and specifically the NTPUD district (and I feel more at home in this community), but I now live just across the border.
- I know the board intends to select the candidate for this position whom they believe will serve the best interests of the community. I would be pleased to be selected for the full Commissioner position, but if I am not, I would still enjoy serving in the final year of my current term as Alternate Commissioner.

Employment History - (Please include your current employer and last three years of employment history in the District).

- Alternate Recreation & Parks Commissioner for the past nearly two years. I am also self employed as owner and manager of five affordable workforce housing units, each of which is in Carnelian Bay, Tahoe Vista, or Kings Beach.

Qualifications - (Please include any training ,education, and experience you have related to this Commission appointment).

- I currently serve as Alternate Commissioner. My prior employment involved working with and making formal presentations to a county board of supervisors. I am or have been a board member for several government and nonprofit organizations and currently serve as president of the Health Officers Association of California.

Community Activities - (Please include any Recreation and Parks activities, local agency and organization, our community involvement you take part in and how often).

- I currently use the trails (dog-walking and XC skiing) several times a month and beaches (kayak launching and landing) a few times during the summer. I attend (or volunteer to help at) community events: Live at the Launch (attended two), ice cream at NTRP (volunteered the last two years), Christmas tree lighting (2024), Snowfest pancake breakfast (helping at the last two,

always an attendee before that), etc. I have almost always been available to help with community events when asked.

I have read the NTPUD Recreation and Parks Commission Bylaws and understand the commitments set fourth therein.

- Yes

Application
Recommended by the
Recreation & Parks
Commission
for Vacated Alternate
Commissioner Seat

Sarah Lagano

Parks & Recreation Commission
Application



NORTH TAHOE PUBLIC UTILITY DISTRICT

RECREATION AND PARKS COMMISSION APPLICATION

Name of applicant: SARAH LAGANO

Address: (Applicant must live or own a business in the North Tahoe Public Utility District to be eligible)

[REDACTED] KINGS BEACH CA 96143

Mailing [REDACTED] City/State Zip

[REDACTED] TAHOE VISTA CA 96148

Physical Address City/State Zip

Day phone: [REDACTED] Evening phone: SAME

E-mail: [REDACTED] Length of NTPUD Residency: 20+ yrs (?)

Reasons for interest DM

INCREASE INVOLVEMENT IN MY LOCAL COMMUNITY,
PARTICIPATE IN A VARIETY OF ORGANIZATIONS THAT
MY SKILLSET MAY BE OF VALUE

Employment History

RECENTLY RETIRED FROM 20+ YEARS @ NO. TAHOE
FIRE DISTRICT. PREVIOUS CAREER IN PARKS &
RECREATION INC IVAD, BIG CLUB & TCPUD.

Qualifications – Include training, education and experience related to appointment

18+ YEARS OF PUBLIC SERVICE IN PARKS & REC +
20+ IN FIRE SERVICE. BS IN SOCIAL SCIENCE (EDUC)
W/ MINOR IN REC & LEISURE STUDIES (LONG TIME AGO...)

Community Activities (Include NTPUD meetings attended and how often)

VOLUNTEER STRIDER GLIDERS (YOUTH SKI PROGRAM),
TRUCKEE ROUNDHOUSE (MAKERSPACE), SNOWFEST PANCAKE
BEAST (TAHOE CITY), YOUTH WTN BIKE PROG & OTHERS

I have read the Bylaws and understand the commitments set forth therein. NO RECENT PUD MEETINGS.

Signature: Sarah Lagano Date: 08/08/24

Completed applications should be emailed to ntpud@ntpud.org.

District Approved: Yes: _____ No: _____

Date of Approval: _____

Additional Applications Received

Christine Bettera

Parks & Recreation Commission
Application

Christine Bettera

How long have you lived in the District?

- 18 years

Why are you interested in serving as a Candidate on the NTPUD Recreation and Parks Commission?

- As a resident and business owner in the district, I am deeply connected to the community through both work and play. Recreation and sports have been a lifelong passion and are central to my career. I see opportunities for improvement in the district's recreational offerings, and with my experience working with the district, I believe I can provide valuable insights into both its strengths and limitations. My goal is to contribute positively and proactively to enhance the recreational experiences available to our community.

Employment History - (Please include your current employer and last three years of employment history in the District).

- Self - Tahoe Flow Arts & Fitness

Qualifications - (Please include any training ,education, and experience you have related to this Commission appointment).

- I have extensive experience in the recreation and fitness industry, both professionally and personally. I am the owner of a local fitness studio, Tahoe Flow Arts & Fitness, where I oversee a range of programs that focus on physical health, wellness, and community engagement. I also have over a decade of experience as a Certified Personal Trainer and Master Health Coach, certified by the American College of Sports Medicine (ACSM).
- In addition to running my own business, I have collaborated with local organizations and the district on various wellness initiatives, and have a deep understanding of the community's recreational needs. My lifelong involvement in sports, as well as my experience coaching and leading fitness programs, provides me with a comprehensive perspective on how recreation facilities and offerings can support physical and mental well-being. Through these experiences, I have developed a strong sense of how to design, implement, and improve recreational programs that benefit the community.
- I am passionate about helping our district create accessible, effective, and enjoyable recreational opportunities for residents of all ages and abilities.

Community Activities - (Please include any Recreation and Parks activities, local agency and organization, our community involvement you take part in and how often).

- I have been actively involved in recreation and fitness within the district for years. I have taught fitness classes for the district and facilitated yoga programs, contributing to the community's wellness offerings. My family regularly participates in district events, such as Kids Night Out and Pictures with Santa, and we greatly value these opportunities for community engagement.
- Living and working within the district, I have a strong connection to the local parks and recreational facilities. My fitness studio is located just down the street from the park, and we frequently enjoy the playground, trails, sledding hills, and dog park. We also attended "Music at the Launch" this year, which was a wonderful experience.

- As a business owner in the heart of the district, I deeply appreciate the role the parks and recreation department plays in enhancing the quality of life for residents, and I am committed to supporting its continued success.

I have read the NTPUD Recreation and Parks Commission Bylaws and understand the commitments set forth therein.

- Yes

Heidi Bushway Verkler

Parks & Recreation Commission
Application

NTPUD Recreation & Parks Commissioner Applications

Heidi Bushway Verkler

How long have you lived in the District?

- 25 years

Why are you interested in serving as a Candidate on the NTPUD Recreation and Parks Commission?

- I am interested in serving as a Candidate on the NTPUD Recreation and Parks Commission because I have raised two children who were lucky enough to be able to participate in many of the youth recreation programs over the past 18 years and I'm hoping to be able to give back to our amazing community.

Employment History - (Please include your current employer and last three years of employment history in the District).

- I've been a teacher for the Tahoe Truckee Unified School District since 2000. I've worked at Rideout and Tahoe Lake schools in Tahoe City, Truckee Elementary and for the past 7 years I've been at North Tahoe School.

Qualifications - (Please include any training ,education, and experience you have related to this Commission appointment).

- I've been a public school teacher for 33 years. Through those years I've sat on various committees and boards. I've also been a team manager for both of my children's soccer teams and sat of the boards for Tahoe Wave Futbol Club and Truckee River United Futbol Club until a year ago.

Community Activities - (Please include any Recreation and Parks activities, local agency and organization, our community involvement you take part in and how often).

- Since I've been busy raising my two children in this wonderful community, I've mostly participated in events that revolved around their interests, sports and schedules. I walk my dog in the Regional Park at least 2-3 times a week. When she was a puppy we took her to the Dog Park to interact with other dogs in a safe space. I enjoy nordic skiing on the groomed trails in the winter. I visit our amazing beaches. I also go to events at the Event Center (tree lighting, book sale) when I'm available. I also am on the board for the Friends of the Kings Beach Library. My husband enjoys playing tennis and we are both wanting to pick up pickle ball.

I have read the NTPUD Recreation and Parks Commission Bylaws and understand the commitments set fourth therein.

- Yes

Kimberly Dunn

Parks & Recreation Commission
Application

Kimberly Dunn

How long have you lived in the District?

- 9 years

Why are you interested in serving as a Candidate on the NTPUD Recreation and Parks Commission?

- To be involved in the community

Employment History - (Please include your current employer and last three years of employment history in the District).

- Self employed Psychotherapist in private practice.

Qualifications - (Please include any training ,education, and experience you have related to this Commission appointment).

- Double major in outdoor leadership in undergrad. Ran my own non profit and have ran several other successful businesses.

Community Activities - (Please include any Recreation and Parks activities, local agency and organization, our community involvement you take part in and how often).

- Pickleball. Golf. High ropes course.

I have read the NTPUD Recreation and Parks Commission Bylaws and understand the commitments set fourth therein.

- Yes

Kirk Misiewicz

Parks & Recreation Commission
Application



NORTH TAHOE PUBLIC UTILITY DISTRICT

RECREATION AND PARKS COMMISSION APPLICATION

Name of applicant: Kirk Misiewicz

Address: (Applicant must live or own a business in the North Tahoe Public Utility District to be eligible)

[Redacted] Kings Beach/CA 96143

Mailing [Redacted] City/State Kings Beach/CA Zip 96143

Physical Address [Redacted] City/State Kings Beach/CA Zip 96143

Day phone: [Redacted] Evening phone: [Redacted]

E-mail: [Redacted] Length of NTPUD Residency: 12 years

Reasons for interest

North Tahoe Regional Park has been a very special place to me and my family for eighteen years. I have patronized the park as a renter, homeowner, employee, coach, and as a parent.

4/2018- 11/2018: Worked as a Seasonal Parks and Facilities maintenance worker. 11/2018- 1/2019: Worked as a Seasonal Utility Operations Maintenance worker. 1/2019- Present: Work Full Time Utility Operations Maintenance worker

Qualifications – Include training, education and experience related to appointment

Volunteered for Sierra Section CWEA 2019-2023. Certifications: Water Distribution II, Wastewater Collections II, Water Treatment II, CA Backflow Tester, NAASIO-PALP, LACP, MALP. Associates Degree in Business Administration,

Community Activities (Include NTPUD meetings attended and how often) Social Sciences from TMCC

Volunteer for some Kings Beach Elementary School functions, Volunteer for some Community Clean-up Days, help coach girls softball as well as other youth sports as needed

I have read the Bylaws and understand the commitments set forth therein.

Signature: [Signature] Date: 9/23/2024

Completed applications should be emailed to ntpud@ntpud.org.



District Approved: Yes: _____ No: _____

Date of Approval: _____



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: G-4

FROM: Recreation, Park, and Facilities Department

SUBJECT: Review and Discuss Summer 2024 Park and Boat Launch Utilization

RECOMMENDATION:

The Board of Directors review, discuss, and provide feedback on the 2024 Park and Boat Launch Utilization reports.

BACKGROUND:

As technology and systems improve throughout the NTPUD Recreation and Parks Department, the ability to track and compare Park and Facilities use throughout the years also improves. The data collected since the implementation of the CivicREC software in the fall of 2022 has provided the necessary data to report on Tahoe Vista Recreation Area (TVRA) Boat Launch use as well as picnic area rentals and athletic amenity rentals at the North Tahoe Regional Park (Regional Park) and TVRA.

The NTPUD has had facilities and picnic areas at the Regional Park and TVRA for decades. These areas are available to the public for use – both on a first come, first served basis and as a rentable amenity for larger groups and organized athletics. Significant effort and investment have been made on the fields and picnic areas over the past several years, and that investment is beginning to pay off in terms of use and service to the people who use the parks.

A summary of rental use over the past two years is attached to this report. It is the intention of staff to return to this document annually in an effort to establish use patterns and projections of park rentals. Staff welcomes feedback from the Board in the refinement of this document and in the overall rental trends for NTPUD.

In addition to rentals, the TVRA Boat Launch opened for the second consecutive season this past summer, 2024. Thanks to a winter of average snowfall in 2023/24, water levels were favorable for boating all season and the dredging project at TVRA was able to be postponed another year. Weather also agreed with boating, with nice weather in the Tahoe Basin for the shoulder months of both May and October.

2024 marked the second season with Manager Oberacker and Recreation and Special Events Coordinator Ben Visnyei involved in the operation. With the physical improvements that were introduced in 2023 and the presence of experienced staff, the launch had a year of smooth operation. This was the second year of using a software system to record operations and the second year of using the kiosk provided by Tahoe City Public Utility District via a memorandum of understanding. Recommendations made by Directors and Commissioners in 2023,

including improved signage and extended launch hours, were incorporated into the launch this year.

The attached annual reports focus on boat launch operations and park rentals. They do not include expenses to operate the entire Regional Park or TVRA property, including but not limited to maintenance costs to maintain the restrooms and grounds, janitorial and landscaping materials, management hours, and capital improvement expenses. It also does not include additional operations, including Concessionaire impact and recreation programs. The intention of these reports is to focus exclusively on summer rentals and launch operations and how the trends in use form patterns can help assist in planning.


STRATEGIC PLAN ALIGNMENT:


Goal 2: Provide high-quality community-driven recreation opportunities and event facilities – Objective A: Expand public access for recreation opportunities and promote the District as an exceptional provider of year-round recreation services; and – Objective B: Enhance Tahoe Vista Recreation Area as a public lakefront amenity; and review opportunities for additional public access to Lake Tahoe across the District; and – Objective D: Utilize the North Tahoe Regional Park as a community asset for passive and active recreation.

ATTACHMENTS:

- 1. 2024 Park Reservation Review
- 2. 2024 TVRA Boat Launch Review

REVIEW TRACKING:

Submitted By: 
Amanda Oberacker
Recreation, Parks, & Facilities Manager

Approved By: 
Bradley A. Johnson, P.E.
General Manager/CEO

2024 Park Reservation Review

North Tahoe Regional Park & Tahoe Vista Recreation Area

PICNIC AREAS

Picnic areas provide a passive recreation option for visitors, a space to get out of the sun or sand, and a gathering location for groups and celebrations. This is also one of the areas where parks and recreation come together – with the recreation department handling the bookings and contact with customers and the parks department handling the day of prep and site work. The North Tahoe PUD has a variety of picnic spaces and revitalizing these areas has been a focus point of the Parks team over the past two years.

Upgrades to the picnic areas since 2022 include:

1. Creating three distinct picnic areas within Tahoe Vista Recreation Area. Improved site work and ADA table/access.
2. Installation of all new “winter ready” picnic tables throughout TVRA.
3. Formalizing the Playground Picnic Area at NTRP.
4. Creation of Picnic Area West at North Tahoe Regional Park.
5. True-up of the grill at the Ramada.
6. Beam cap replacement and staining of Ramada.

While site improvements were being made, staff was also increasing access to information online. The recreation registration software, CivicREC, went live in fall of 2022 and the new NTPUD website was live in the spring of 2023. With these updates, the public could learn about and book picnic area sites with ease and independent of staff. The chart below summarizes the rentals and revenue changes over the past two summers. The report only lists two years of data because prior to 2023 the data is not available for proper comparison.

North Tahoe R.P.	2023		2024	
	Rentals	Revenue	Rentals	Revenue
Ramada	17	\$4,235	13	\$4,785
Picnic Area West	1	\$300	2	\$805
Playground Picnic Area	2	\$400	1	0
TOTALS	20	\$4,935	16	\$5,590

Tahoe Vista Rec Area	2023		2024	
	Rentals	Revenue	Rentals	Revenue
Picnic Area 1	17	\$480	13	\$605
Picnic Area 3	19	\$1,530	20	\$2,680
Picnic Area 5	19	\$3,300	21	\$5,030
Plaza	5	\$3,600	6	\$5,100
TVRA B (Parking Lot)	2	\$150	1	\$840
TOTALS*	62	\$9,060	61	\$14,255

Notes:

1. The reason rentals went down at TVRA, but revenue increased is due to Tahoe Adventure Company renting the picnic areas 16 times in 2023 and only twice in 2024. Due to the concessionaire agreement between TAC and NTPUD, Tahoe Adventure Company doesn't pay to use the picnic areas for groups and tours. As explained by TAC:

“Every year is completely different. In general, we rent the tables for corp kayak lunches, team building and beach days. Most our corp kayaks did not include lunch this year. We only did a handful of beach days and generally corp business was down this year. I had 2 beach days at TVRA on our calendar this year.”

2. In summary, in just one year, TVRA saw a 30% revenue increase, but NTRP remained mostly flat. For both areas, there is still room for picnic area reservation growth and staff is confident that the process that has been put in place will continue to facilitate this growth.

ATHLETIC FIELDS

North Tahoe Regional Park has long been used by local youth sport groups, AYSO and Little League, North Tahoe baseball and softball, the Sierra Nevada College lacrosse team and various baseball tournaments throughout the summer. Today, use includes the groups of the past and has grown to include regional sport organizations and lacrosse, soccer and baseball tournaments.

A comparison of field rentals over the past several years is provided below for reference.

North Tahoe R.P.	2023		2024	
	Rentals	Revenue	Rentals	Revenue
Field 1	25	\$5,728	58	\$7,980
Field 2	13	\$4,725	38	\$8,440
Field 3	56	\$4,975	65	\$4,431
Field 4	137	\$23,335	113	\$20,218
Field 5	55	\$13,490	37	\$9,761
TOTALS	286	\$ 52,253	311	\$ 50,830

Notes:

1. The difference between the two years can be explained by the extreme weather in 2023 extending the need for Field 4 use.
2. Opportunities for growth with the athletic fields is marginal because the local youth sport organizations already use the fields to full extent of their organization needs.
3. With an average of 8 tournaments a summer, the District could possibly facilitate more tournaments, but with discretion and sensitivity to overuse. Right now, having 2 tournaments a month is proving a good balance.

TENNIS AND PICKLEBALL

Summer 2024 was the opening year since the tennis and pickleball renovation project was completed in late fall 2023. Upon opening, the District decided to make some courts in both tennis and pickleball available for reservation and some are remaining first come, first serve, walk-up play. Below is a rental and revenue chart for the first year that reservations were available.

North Tahoe R.P.	2024	
	Rentals	Revenue
Pickleball		
Court 4	34	\$1,455
Court 5	27	\$1,110
Court 6	39	\$1,665
Tennis		
Court 1	1	\$120
Court 2	13	\$555
Court 3	11	\$390
TOTALS	125	\$ 5,295

NOTES:

1. With 125 separate rentals and 204 court rented hours at the Tennis and Pickleball facilities, the idea to have a portion of the courts rentable proved successful. This was a new and unique program, not typical for public parks throughout the west.
2. Many times, the courts were reserved for parties such as bachelor/bachelorette or birthdays.
3. During the times that the courts are used for NTPUD programming, they are not rentable to the public.



2024 Tahoe Vista Recreation Area Boat Launch Summary

Ben Visnyei, Recreation Supervisor

Amanda Oberacker, Recreation, Park and Facilities Manager

The Tahoe Vista Recreation Area Boat Launch opened to residents and visitors for the second consecutive summer on May 24th, 2024. Improvements to the launch this year included an updated tablet for mobile processing, a ramp-side location for the kiosk with updated electrical, and extended hours and dates of operation.

Dates of Operation: May 24 – October 14, 2024
Hours: 7:00am-7:00pm (May, June, July, Aug., mid-Sept.)
7:00am-5:00pm (mid-Sept., Oct.)
Days: 7 days a week May-September
Thurs-Sunday Mid-September through October

Additionally, the fee structure was adjusted to collect fees from boaters retrieving vessels, whereas in the past the NTPUD was only charging for launches. The new fee was received well considering we are a one lane launch, and retrievals impact the facility as much as launches (if not more). Staff observed that the fee mostly impacted non-residents keeping their boats buoyed on the lake for multiple days. This fee did not apply to boaters launching and retrieving on the same day.

Extended hours were provided in response to 2023 feedback from residents, visitors, board members, and recreation commission members. The phenomenal late season weather cooperated, and October ramp use increased from 7 uses in 2023 to 94 on 2024, with 83% of those uses being from residents. Additional use statistics can be seen in the data tables below.

TVRA BOAT LAUNCH		
Seasonal Hours 7a.m. - 7p.m. (Weather Dependant)		
FEE	RESIDENT	NON-RESIDENT
Daily Use Fee	\$17	\$17
Environmental & Facility Fee	Included in Resident Benefit Program	\$43
Total	\$17	\$60
 Tahoe 24 Only	\$50	\$50
Season Pass	\$170	\$600
Parking (No Launch)	Included in Resident Benefit Program	\$10

Proof of residency required to receive resident rate.

All motorized vessels must have a valid Lake Tahoe inspection seal to launch.



SEASONAL HOURS

Starting September 3rd

Days:
7 days / week

Hours:
7a.m. - 5p.m. (Weather Dependant)

Starting September 30th

Days:
Thursday-Sunday

Hours:
7a.m. - 5p.m. (Weather Dependant)



Staff shifts were adjusted this season by eliminating the mid-day shift (9am-3pm) for weekdays, and most weekends. This shift remained in place for Saturdays, and holiday weeks. The combination of veteran reliable staff, plus the updated kiosk location allowed for one staff to operate independently. Multiple returning staff will be staying onboard year-round and transfer up to the Park Kiosk starting in December. The similarities between the Boat Launch and Park Kiosk positions have become a great way to retain staff and create year-round opportunity.

The NTPUD continued to strictly enforce the Aquatic Invasive Species program required by the Tahoe Regional Planning Agency. Updated pre-season training and scheduled monthly meetings empowered Boat Launch Staff to confidently ensure all boats were “Cleaned, Drained, and Dried” prior to receiving seals on their boats. Commercial activity was also closely monitored, as it is not permitted at the TVRA facility. One commercial company had ramp use revoked for the season in mid-July.

Recommendations for future years:

- Separate launches and retrievals in the software so staff can accurately see impact of having a day-use fee.
- Continue with regularly scheduled staff meetings, frequent in the beginning months and with less frequency as the season progresses.
- Reduce hours of operation during October, open later in the morning, at 9am.

BOAT LAUNCH REVENUE	May	June	July	August	September	October	2024 Total	2023 Total
Daily Launch Fee \$17	69	450	766	504	311	74	\$ 36,958	\$ 28,492
Environmental & Facility Use Fee \$43	16	142	261	155	60	8	\$ 27,606	\$ 25,112
Resident Season Pass \$170	41	0	0	0	0	0	\$ 6,970	\$ 8,500
Non-Resident Season Pass \$600	6	0	0	0	0	0	\$ 3,600	\$ 4,800
TVRA Parking \$10	1	48	127	72	32	3	\$ 2,830	\$ 3,040
Tahoe In-Out Sticker (TRPA PASS THROUGH) \$50	64	185	135	41	9	4	\$ -	\$ -
							\$ 77,964	\$ 69,944

REVENUE PER MONTH & YEAR	May	June	July	August	September	October
2024	\$ 12,441	\$ 14,236	\$ 25,515	\$ 15,953	\$ 8,187	\$ 1,632
2023	\$ 4,714	\$ 14,679	\$ 29,078	\$ 16,650	\$ 4,823	\$ -

BOAT LAUNCH USE	May '24	June '24	July '24	Aug. '24	Sept. '24	Oct. '24	2024 Total	2023 Total
Daily Resident Launches	53	308	505	349	251	66	1532	1092
Resident Season Pass Launches	26	86	209	196	60	12	589	519
Total Resident Launches	79	394	714	545	311	78	2121	1611
Daily Non-Resident Launches	16	142	261	155	60	8	642	584
Non-Resident Season Pass Launches	7	15	12	4	4	8	50	50
Total Non-Resident Launches	23	157	273	159	64	16	692	634
TOTAL LAUNCHES	102	551	987	704	375	94	2813	2245

LAUNCHES PER MONTH & YEAR	May	June	July	August	September	October
2024	102	551	987	704	375	94
2023	51	314	976	660	237	1

2024 BOAT LAUNCH STAFFING	2024	2023
Total Hours	1,754	1,553
Staff Expenses	\$45,387	\$38,251
Staff Seasonal Bonuses	\$1,456	\$956

Photos:



New kiosk location



Launched and ready to go



Early season unique tow-truck launch



Brand new boat hits the water



Kayak and paddleboard rack all filled up



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: H-1

FROM: Office of the General Manager

SUBJECT: Board Organizational Matters for 2025 – Selection of Officers

DISCUSSION AND RECOMMENDATION:

Annually, the Board of Directors must select officers. The officers shall serve during the calendar year 2025. Staff recommends selecting officers during the December meeting so that Board Officers are in place by January 1st.

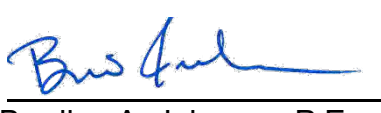
Select Officers:

- a. **President**
- b. **Vice President**
- c. **Secretary**

Current Board Officers are Sarah Coolidge, who serves as president; Sue Daniels, who serves as vice president; and Danielle Hughes, who serves as secretary.

REVIEW TRACKING:

Submitted By: 
Misty Moga
Administrative Liaison

Approved By: 
Bradley A. Johnson, P.E.
General Manager/CEO



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: H-2

FROM: Office of the General Manager

SUBJECT: Board Organizational Matters for 2025 – Committee Appointments

DISCUSSION AND RECOMMENDATION:

Annually, the Board of Directors must set up Committees. The Committee members shall serve during the calendar year 2025. Staff recommends appointing Committee members during the December meeting so that Board Officers are in place by January 1st.

Select Committee Assignments:


The standing Committees currently in place and a four (4) year history of Committee assignments are outlined below:

- a. **Development and Planning**
- b. **Finance**
- c. **Personnel**
- d. **Recreation and Parks**
- e. **Other**

Committee History	2021	2022	2023	2024
Development and Planning	Directors Hughes and Thompson	Directors Coolidge and Thompson	Directors Daniels and Thompson	Directors Daniels and Thompson
Finance	Directors Daniels and Mourelatos	Directors Hughes and Mourelatos	Directors Coolidge and Mourelatos	Directors Coolidge and Mourelatos
Personnel	Directors Coolidge and Thompson	Directors Coolidge and Thompson	Directors Coolidge and Thompson	Directors Coolidge and Thompson
Recreation & Parks	Directors Daniels and Mourelatos	Directors Daniels and Mourelatos	Directors Hughes and Daniels	Directors Hughes and Daniels

REVIEW TRACKING:

Submitted By: 
Misty Moga
Administrative Liaison

Approved By: 
Bradley A. Johnson, P.E.
General Manager/CEO



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: H-3

FROM: Office of the General Manager

SUBJECT: Board Organizational Matters for 2025 – Set Regular Meeting and Committees Date, Time, and Locations for Calendar Year 2025

DISCUSSION AND RECOMMENDATION:

Annually, the Board of Directors must set the date, time, and location for its regular meetings. Although these dates/times/locations can be changed at any time in the future, the State requires that each agency reports its set dates, times, and locations for its regular meetings for the following year.

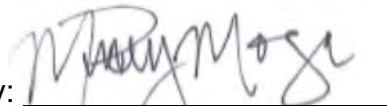
The Board of Directors should also discuss the date, time, and location for its assigned Committees as appropriate.

The 2024 schedule for Regular Board Meetings was the second Tuesday of each month, beginning at 2:00 p.m. The meeting location has been the North Tahoe Event Center in Kings Beach.

Please note that Veterans Day will be on Tuesday, November 11, 2025. Therefore, we will need to reschedule that Board meeting date.


REVIEW TRACKING:

Submitted By:



Misty Moga
Administrative Liaison

Approved By:



Bradley A. Johnson, P.E.
General Manager/CEO



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: I-1

FROM: Office of the General Manager

SUBJECT: General Manager/CEO Report

Major monthly items of note are included as agenda items or are addressed in the Department Managers' reports in this packet. Additional items are as follows:

- 1) The District, Tahoe City Public Utility District (TCPUD), and the South Tahoe Public Utility District (STPUD) continue their partnership work on legislative matters:
 - a) At the federal level, the partnership is working to develop the 2025 project priority list in anticipation of a potential United States Forest Service (USFS) 2025 allocation for the Tahoe water for fire suppression program. The partnership is meeting this month to rank projects for submission should we receive a Fiscal year 2025 budget allocation.
 - b) Additionally, the partnership received word from the offices of both Congressman Kiley and Congressman Amodei (Nevada) that our Basin-wide water infrastructure project request, through the United States Army Corps of Engineers (USACE) Section 219 program, was included at a \$20-million funding level in the final version of the House's 2024 Water Resources Development Act (WRDA) legislation. The Section 219 program provides planning, design, and construction assistance for water and sewer related environmental infrastructure and resource protection and development projects for local communities throughout the country. Under the program, construction is cost shared 75 percent federal and 25 percent non-federal. The House of Representatives approved WRDA on July 22, 2024 by a vote of 359-13. The Senate passed its version of WRDA unanimously on August 1, 2024. An agreement was reached this month by House and Senate leaders on a final bipartisan conferenced version of the bill which contains the \$20-million Section 219 Lake Tahoe Basin project. A final vote and passage of WRDA is anticipated before the end of the year.

- c) At the state level, the partnership met with its legislative advocate to strategize our 2025 efforts to ensure funding from the approved \$10-billion Climate Bond is allocated to a water infrastructure for fire suppression program.
- 2) The District has received the fully executed agreement from the Bureau of Reclamation for our \$500,000 WaterSMART Grant. This grant, pursued and executed in accordance with District Resolution 2024-04, will support the District's effort to comprehensively deploy smart water meters.
- 3) The District received notice that our \$1,029,055 grant request to the California State Parks Habitat Conservation Program for our North Tahoe Trail Access Improvement Project was approved. This grant will support the construction of the trail extension and stairway replacement to enhance access in the North Tahoe Regional Park to the Pam Emmerich Memorial Pinedrop Trail. The General Manager has signed the agreement in accordance with District Resolution 2023-05, and the District has received the fully executed agreement back from the State.

The District is now focused on pursuing a Transient Occupancy Tax (TOT) annual grant from the North Tahoe Community Alliance (NTCA) and Placer County to further support the project. The project was recommended for approval at a funding level of \$472,500 by the TOT Advisory Committee on November 21, 2024 with that recommendation approved by the NTCA Board on December 4, 2024. The project now moves to the Placer County Board of Supervisors for final approval.

If the TOT grant is approved by the Board of Supervisors, the project would be fully funded for construction in 2025.

- 4) The District and TCPUD received notice from the California Tahoe Conservancy (CTC) that our \$80,000 grant request to fund a greenhouse gas inventory of both districts' operations was approved. The districts' General Managers have executed a Project Cooperation Agreement with support from NTPUD General Counsel with TCPUD acting as the lead agency for the grant.

TCPUD has awarded a contract to Sierra Business Counsel to complete the analysis in conformance with guidelines established by The Climate Registry. District staff is working in collaboration with TCPUD on the data collection process.

- 5) The General Manager has been invited to participate in a community panel hosted by Strong North Tahoe with Placer County Supervisor Cindy Gustafson and NTCA Board President Sue Rae Irelan on matters pertaining to our service area. The event, originally scheduled for October 22, 2024, has been postponed to the new year. Once a date has been set, the General Manager will provide an update.
- 6) The District is evaluating results from the Gallup Q12 survey of all District staff. Initial small group meetings regarding the findings have commenced. The data and

discussion coming from this process will support on-going culture building efforts within the District.

- 7) Working with our Safety Consultant, the District provided training on Hazard Communication & Emergency Response and Emergency Evacuation & Response. The Safety Committee also worked to review the upcoming 2025 safety calendar to schedule upcoming trainings and how best to leverage online trainings via our Vector Solutions portal.
- 8) The District completed its annual Open Enrollment period for employee benefit plans for 2025.
- 9) The Boys and Girls Club of North Lake Tahoe (BGCNLT) held its regularly scheduled Board meeting on November 21, 2024. The following items were topics of discussion:
 - a) Approval of the October Meeting Minutes
 - b) Approval of a grant agreement for an Incline facility assessment
 - c) Updates from the CEO, including discussion of 2025 Wine on the Water plans, resource development updates, and the annual Youth of the Year award
 - d) Updates from the Board President, including additional discussion on Board-staff collaboration and discussion on a February 2025 Board retreat
 - e) Approval of a new Board member
 - f) Updates from the Finance Committee – review of Club financials and Annual Audit acceptance
 - g) Updates from the Resource Development, Marketing & Communications, and Board Governance Committees
 - h) Closed Session for the CEO's annual performance evaluation

The next regularly scheduled BGCNLT Board meeting is January 29, 2025.

- 10) The District is recruiting for three open positions:

- Utility Operations Maintenance Worker I/II
- Lead Water Quality Control Technician
- Chief Financial Officer

Submitted By:



Bradley A. Johnson, P.E.
General Manager/CEO



NORTH TAHOE PUBLIC UTILITY DISTRICT

DATE: December 10, 2024

ITEM: I-2

FROM: Justin Broglio, Public Information Officer

SUBJECT: Public Information and Community Outreach Report

DISCUSSION:

Public Information and Community Outreach:

- For the month of November, our communications and outreach focused on – 1) promotion of the District’s holiday events and winter recreation programming, 2) outreach and advertising for the CFO position and other open positions, 3) bill inserts and annual notice of the District’s winterization reminders; and 4) continued updates of the Rate Relief Program.
- Staff continues to work with Design Workshop on the Secline Beach Planning Project. The next steps include additional community engagement in early 2025 and initial site and parcel research.
- Staff continues to promote the District’s Fall/Winter Recreation Activity Guide and all special events and activities.
 - Staff prepared marketing materials and promotions for the annual Community Thanksgiving, the Holiday Tree Lighting and Santa Photos at the Event Center.
- Staff worked with the Utility Ops Manager and Engineering Manager to complete the required communication to residents and property owners regarding our EPA-required Lead Service Line inspections and notifications.
- Staff is continuing to assist Customer Service and Accounting staff with the transition to our new online billing portal and associated customer outreach and notices.

Grants:

- Staff worked with the General Manager to update and track, as needed, the District’s two separate TOT/TBID grant applications for the North Tahoe Community Alliance (NTCA) Annual Grant Program.

- Both projects were recommended for approval by the NTCA TOT and TBID/Zone 1 grant review committees during their November meetings.
- The District's North Tahoe Trail Extension project funding recommendation was reduced to \$472,500, in line with a 10% reduction for all "Trail" projects in this annual grant round.
- The NTCA Board of Directors approved both projects at its regular December meeting. The projects will now go to the Placer County Board of Supervisors for final approval.
- Staff is continuing to work on the District's \$60,000 application for the 2024 California Tahoe Conservancy's SB630 Lake Tahoe Access grant program, to support the Secline Beach Enhancement Project.
- Staff was notified by the Truckee-Tahoe Community Foundation that our 2024 Truckee-Tahoe Airport District Agency Partnership Grant request (\$100,000 to support the Community Art & Gathering Space project in the North Tahoe Regional Park) was not recommended for funding.


North Tahoe Event Center Marketing:


- Staff continues to coordinate with NTEC management on needed marketing materials, logo material, and promotional items for NTEC sales.

Community and Regional Partner Connections:

- Participated in bi-weekly Tahoe-Truckee PIO team meetings and North Lake Tahoe-Truckee Stakeholder meetings.
 - Topics included winter and visitor sledding area messaging, updates on the new Destination Stewardship Council Newsletter campaigns, and the end of construction season.
- Attended the NTCA's November Monthly First Tuesday Breakfast Club.

Review Tracking:

Submitted By: 
 Justin Broglio
 Public Information Officer

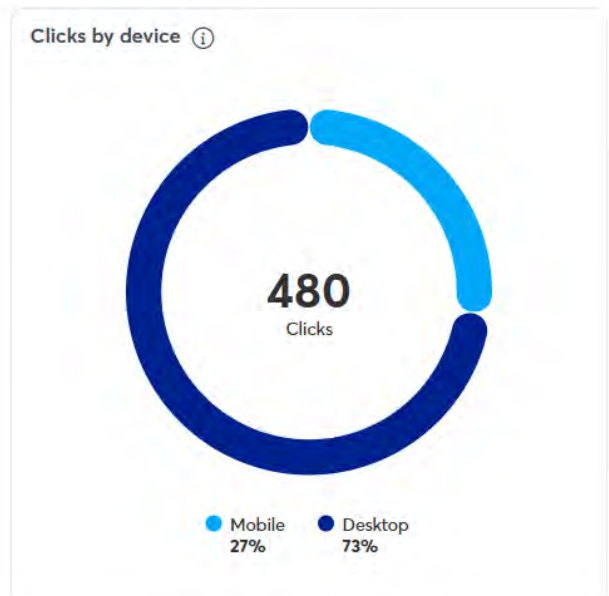
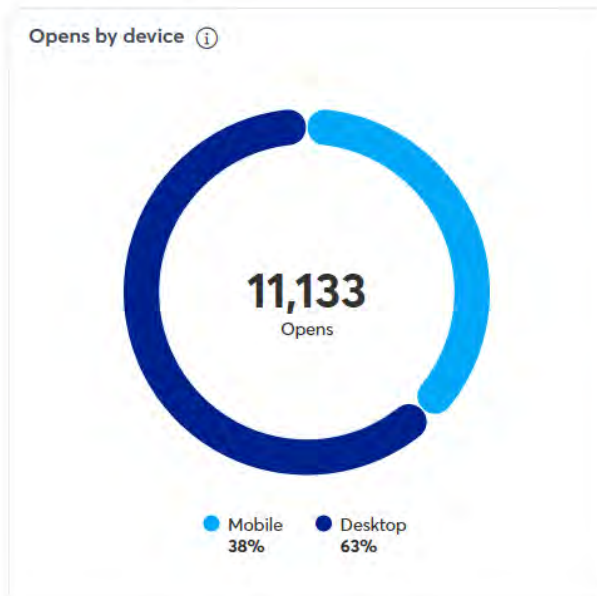
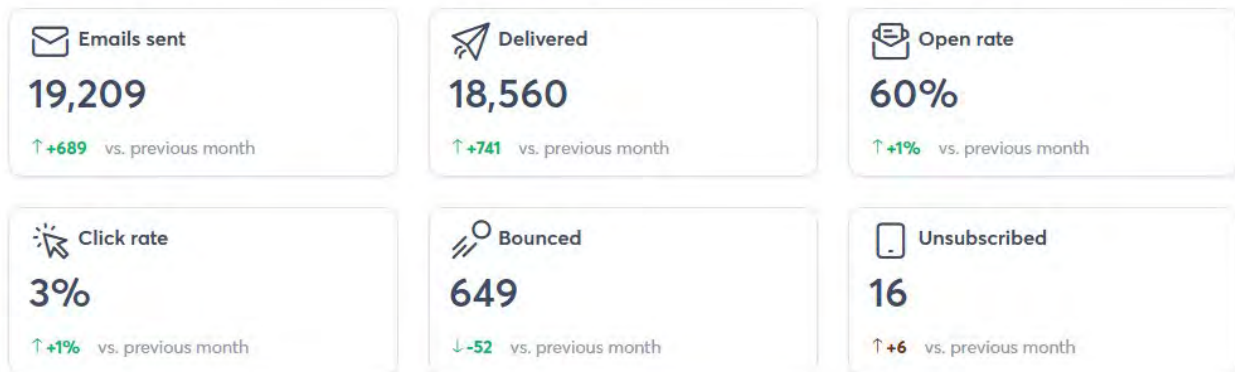
Approved By: 
 Bradley A. Johnson, P.E.
 General Manager/CEO

Email Newsletter Metrics –

November metrics for the District’s Recreation Newsletter and Board Meeting Notices –

District Email List – Recreation & Admin

- North Tahoe Recreation – Weekly Newsletter Updates
- NTPUD Board and Commission Meeting Notices



Social Media Content –

North Tahoe Recreation and Parks – August Social Media Content



northtahoerecreation 1w

Now that winter has arrived, we have closed the North Tahoe Regional Park Tennis & Pickleball courts for the season. Thank you to everyone for a fantastic first summer on the new outdoor courts!

We look forward to seeing everyone on Saturdays and Sundays for Indoor Pickleball at the Boys and Girls Club of North Lake Tahoe in Kings Beach.

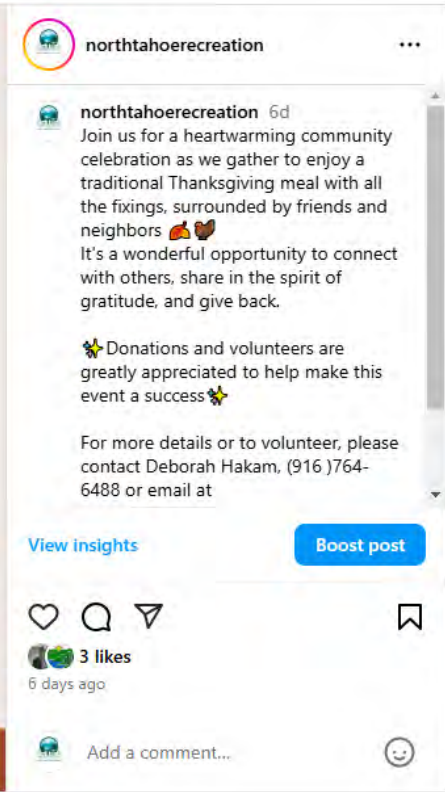
Purchase a 10-pack punch card for indoor play at the link in our bio.

We'll have three courts available

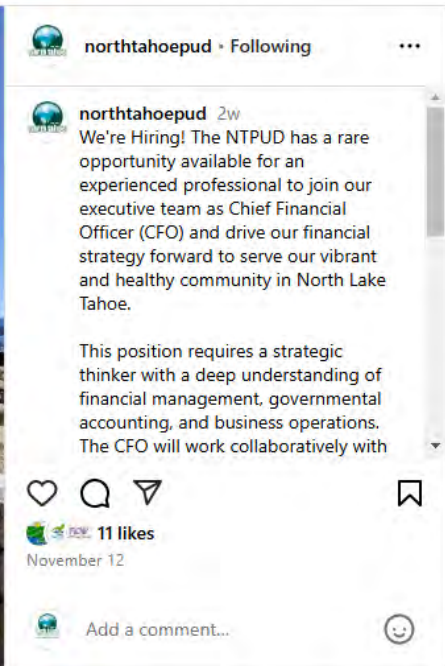
[View insights](#) [Boost post](#)

7 likes
November 15

Add a comment...



NTPUD Main – October Social Media Content





North Tahoe Public Utility District



Published by [Justin Broglio](#)



· November 12 at 2:40 PM ·

Winter has arrived in North Lake Tahoe. Is your home ready? Click over to our website ntpud.org/winterization for tips on winterizing your home and preparing for cold temperatures and what to do if your pipes freeze.



NTPUD.ORG



Winterization - North Tahoe Public Utility District

Winterization and Tips on Prevention of Winter Damage Employees in our water...

[See insights and ads](#)

[Boost](#)



Like



Comment



Share

North Tahoe Event Center – October Social Media Content



Hey, Google – what's the best venue for a wedding in the mountains, nestled on the edge of the most beautiful lake?

northtahoeevents • Following
mc4dmusic • Northern Attitude (MC4D ...)

northtahoeevents 1w
Welcome To Our Lake Tahoe Wedding Venue 📍📍

If you're getting married in Lake Tahoe, we'd love to have you tour North Tahoe Event Center to envision your wedding day with us!

We know choosing a wedding venue is a big decision, and we're here to help answer any questions you may have.

Contact us today to learn more!

📄 Check out our latest blog post to find out the biggest mistakes couples make when choosing a wedding venue and how to avoid them! → [LINK IN BIO]

30 likes
November 15

Add a comment...



northtahoeevents • Following
North Tahoe Event Center

northtahoeevents 3w
What Is the Most Important Factor When Selecting a Wedding Venue? 📄

Here's the secret: the most important factor is finding a place that you love and where you can picture your future beginning.

Imagine standing hand in hand, surrounded by your closest friends and family, in a space that just feels right.

Think about how this place will host the start of your forever.

Do you get butterflies thinking about saying "I do" there?

That's what really counts.

18 likes
November 6

Add a comment...



NORTH TAHOE PUBLIC UTILITY DISTRICT

DATE: December 10, 2024

ITEM: I-3a

FROM: Finance Department

SUBJECT: Draft Financial Reports through October 31, 2024

DISCUSSION:

The following draft financial reports provide the revenue and expense status of the North Tahoe Public Utility District as of the month ending October 31, 2024. This report represents 4/12 or 33% of the fiscal year.

- **All Funds:** At the end of October, the District's Revenues exceeded Expenses by \$2,016,551. This represents Net Income of \$1,560,103 over Budget year-to-date (YTD). Operating Revenues are above budget by \$64,278 or 1.5%. The District as a whole, is (\$675,602) or (10.9%) under Budget for expenses at month end, primarily due to Other Operating Expenses being under budget by (\$308,053) and Outside Services/Contractual be under by (\$203,301). Salaries and Employee benefits are also less than budget YTD largely due to open positions offsetting higher than budgeted overtime. Capital projects and purchases in the amount of \$4,699,092 have been initiated YTD.
- **All Wastewater Funds:** This report includes the Wastewater Operations Fund, the Wastewater Reserve Fund, and the Wastewater System Replacement Fund. At the end of October, the Wastewater Expenses exceeded Revenues by (\$316,623). Operating Revenues for the month are ahead of Budget due to connection fees collected. Operating Expenses are (\$280,601) or (17.8%) under Budget at month end, largely due to Outside Services/Contractual, Salaries and Employee Benefits. Combined this results in a YTD performance of \$408,488 better than Budget.

The Wastewater Fund has expended \$158,239 and encumbered an additional \$130,155 for CIP through October 31, 2024. See Capital Outlay page.

- **All Water Funds:** This report includes the Water Operations Fund, the Water Reserve Fund, and the Water System Replacement Fund. At the end of October, the Water Revenues exceeded Expenses by \$1,563,364. Operating Revenues for the month are over budget by \$33,827 or 1.8% largely due to connection fees collected offsetting lower consumption than budgeted. Operating Expenses for the month are under budget by (\$85,082) or (5.6%) mainly due to Other Operating Expenses. Grant Revenue is more than budget by \$706,763 due to unbudgeted Federal Grant accrued in October. Combined this results in a YTD performance of \$883,553 better than Budget.

The Water Fund has expended \$1,875,046 and encumbered an additional \$970,932 for CIP through October 31, 2024.

- **All Recreation & Parks:** This report includes the Regional Park, Recreation Programming, the TVRA Boat Ramp, the Event Center, and contractual maintenance services provided to Placer County and Kings Beach Elementary School. At the end of October, the Recreation & Parks Revenues exceeded Expenses by \$200,362. Recreation and Parks Operating Revenues are ahead of Budget at month end by \$17,730 or 2.5%. Total Expenses at month end are (\$24,231) or 2.1% below Budget. The combined results are \$144,195 better than budget.

The Recreation and Parks have expended \$192,871 and encumbered an additional \$776,440 for CIP Parks Projects through October 31, 2024. See Capital Outlay page.

- **North Tahoe Event Center (NTEC):** NTEC has a Net Loss of (\$34,139) for the month ended compared to Budget Net Loss of (\$33,893). The Net Loss outcome is slightly less than budget.
- **Fleet:** Operating Expenses at month end are (\$57,306) under budget primarily due to Other Operating Expenses.

Fleet has \$11,610 expenditures for CIP and encumbered \$400,354 through October 31, 2024. See Capital Outlay page.

- **General & Administrative and Base:** Operating Expenses YTD are (\$228,394) or (12.3%) below Budget, due to Outside Services and Other Operating Expenses.

Administration has expended \$105,712 for CIP and encumbered \$77,734 through October 31, 2024. See Capital Outlay page.

- **Capital Outlay:** The District has expended \$2,343,478 on Capital and encumbered an additional \$2,355,614.

ATTACHMENTS: Financial Reports for October 31, 2024

REVIEW TRACKING:

Submitted by:



Lori Pommerenck
Interim Chief Financial Officer

Approved by:



Bradley A. Johnson, P.E.
General Manager/CEO



**Statement of Revenues and Expenses
For the Period Ended October 31, 2024**

Income Statement	Month-To-Date				Year-To-Date				FY 2024 YTD
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	
1 Operations									
2 Operating Revenue	\$ 1,016,144	\$ 1,011,420	\$ 4,724	0.5%	\$ 4,337,913	\$ 4,275,377	\$ 62,536	1.5%	\$ 3,786,358
3 Internal Revenue	16,310	22,272	(5,962)	-26.8%	64,876	63,134	1,742	2.8%	65,331
4 Total Operating Revenue	\$ 1,032,454	\$ 1,033,692	\$ (1,238)	-0.1%	\$ 4,402,789	\$ 4,338,511	\$ 64,278	1.5%	\$ 3,851,689
5									
6 Salaries and Wages	\$ (475,538)	\$ (534,722)	\$ 59,184	11.1%	\$ (2,025,406)	\$ (2,148,085)	\$ 122,679	5.7%	\$ (1,933,679)
7 Employee Benefits	(230,886)	(259,880)	28,994	11.2%	(940,452)	(1,021,256)	80,804	7.9%	(870,476)
8 Outside Services/Contractual	(134,966)	(149,068)	14,102	9.5%	(469,672)	(672,973)	203,301	30.2%	(400,739)
9 Utilities	(79,961)	(69,540)	(10,421)	-15.0%	(336,086)	(314,961)	(21,125)	-6.7%	(260,244)
10 Other Operating Expenses	(120,992)	(132,406)	11,414	8.6%	(524,042)	(832,095)	308,053	37.0%	(504,846)
11 Insurance	(36,583)	(36,512)	(71)	-0.2%	(146,332)	(146,048)	(284)	-0.2%	(125,227)
12 Internal Expense	(16,310)	(22,272)	5,962	26.8%	(64,876)	(63,134)	(1,742)	-2.8%	(63,303)
13 Debt Service	(2,118)	(2,118)	-	0.0%	(9,149)	(9,825)	676	6.9%	(12,956)
14 Depreciation	(313,185)	(308,564)	(4,621)	-1.5%	(1,243,489)	(1,226,729)	(16,760)	-1.4%	(1,047,955)
15 Total Operating Expense	\$ (1,410,539)	\$ (1,515,082)	\$ 104,543	6.9%	\$ (5,759,504)	\$ (6,435,106)	\$ 675,602	10.5%	\$ (5,219,425)
16									
17 Operating Income(Loss)	\$ (378,085)	\$ (481,390)	\$ 103,305	21.5%	\$ (1,356,715)	\$ (2,096,595)	\$ 739,880	35.3%	\$ (1,367,736)
18									
19 Non-Operations									
20 Property Tax Revenue	\$ 575,000	\$ 575,000	\$ -	0.0%	\$ 2,300,000	\$ 2,300,000	\$ -	0.0%	\$ 2,100,000
21 Community Facilities District (CFD 94-1)	58,095	56,908	1,187	2.1%	232,381	227,633	4,748	2.1%	227,856
22 Grant Revenue	706,763	-	706,763	100.0%	738,990	-	738,990	100.0%	1,396,636
23 Interest	51,819	8,333	43,486	521.9%	125,002	33,333	91,669	275.0%	57,848
24 Other Non-Op Revenue	103,390	6,447	96,943	1503.7%	127,132	25,410	101,722	400.3%	27,648
25 Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
26 Other Non-Op Expenses	(28,737)	(8,333)	(20,404)	-244.9%	(150,239)	(33,333)	(116,906)	-350.7%	(35,612)
27 Income(Loss)	\$ 1,088,245	\$ 156,965	\$ 931,280	593.3%	\$ 2,016,551	\$ 456,448	\$ 1,560,103	341.8%	\$ 2,406,640
28									
29 Additional Funding Sources									
30 Allocation of Non-Operating Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
31 Transfers	-	-	-	0.0%	-	-	-	0.0%	-
32 Balance	\$ 1,088,245	\$ 156,965	\$ 931,280	593.3%	\$ 2,016,551	\$ 456,448	\$ 1,560,103	341.8%	\$ 2,406,640
Operating Income	\$ (378,085)	\$ (481,390)	\$ 103,305	21.5%	\$ (1,356,715)	\$ (2,096,595)	\$ 739,880	35.3%	\$ (1,367,736)
Net Income(Loss)	\$ 1,088,245	\$ 156,965	\$ 931,280	593.3%	\$ 2,016,551	\$ 456,448	\$ 1,560,103	341.8%	\$ 2,406,640
Earnings Before Interest, Depreciation & Amortization	\$ 1,403,548	\$ 467,647	\$ 935,901	200.1%	\$ 3,269,189	\$ 1,693,002	\$ 1,576,187	93.1%	\$ 3,467,551
Operating Ratio	137%	147%	-10%	-6.8%	131%	148%	-18%	-11.8%	136%
Operating Ratio - plus Tax & CFD	85%	91%	-6%	-6.9%	83%	94%	-11%	-11.4%	84%
Debt Service Coverage Ratio	513.81	74.11	43970%	-36559%	220.41	46.46	17395%	-12750%	185.75



Actual Results For the Month Ended October 31, 2024

Income Statement	Wastewater	Water	Recreation & Parks	Fleet & Equipment	General & Administrative	Total
1 Operations						
2 Operating Revenue	\$ 410,274	\$ 430,987	\$ 171,694	\$ -	\$ 3,189	\$ 1,016,144
3 Internal Revenue	4,080	6,130	6,100	-	-	16,310
4 Total Operating Revenue	\$ 414,354	\$ 437,116	\$ 177,794	\$ -	\$ 3,189	\$ 1,032,453
5						
6 Salaries and Wages	\$ (112,622)	\$ (85,829)	\$ (97,165)	\$ (12,867)	\$ (167,056)	\$ (475,538)
7 Employee Benefits	(59,449)	(42,925)	(45,304)	(7,730)	(75,478)	(230,886)
8 Outside Services/Contractual	(15,145)	(41,243)	(19,151)	(2,243)	(57,184)	(134,966)
9 Utilities	(8,910)	(58,866)	(5,371)	(568)	(6,247)	(79,961)
10 Other Operating Expenses	(5,988)	(50,742)	(14,872)	(13,576)	(35,815)	(120,992)
11 Internal Expense	(931)	(1,151)	(6,836)	(133)	(7,259)	(16,310)
12 Debt Service	-	(2,118)	-	-	-	(2,118)
13 Insurance	(7,655)	(7,655)	(7,655)	(5,142)	(8,476)	(36,583)
14 Depreciation	(104,000)	(117,624)	(71,459)	(15,398)	(4,703)	(313,185)
15 Total Operating Expense	(314,700)	(408,152)	(267,813)	(57,656)	(362,218)	(1,410,538)
16						
17 Operating Contribution	\$ 99,654	\$ 28,964	\$ (90,018)	\$ (57,656)	\$ (359,029)	\$ (378,085)
18						
19 Allocation of Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 Allocation of Fleet	(27,095)	(25,589)	(9,762)	62,446	-	-
21 Allocation of General & Administrative	(114,497)	(147,684)	(96,100)	-	358,281	-
22 Operating Income(Loss)	\$ (41,938)	\$ (144,309)	\$ (195,880)	\$ 4,791	\$ (748)	\$ (378,085)
23						
24 Non-Operations						
25 Property Tax Revenue	\$ -	\$ 266,667	\$ 233,333	\$ 8,333	\$ 66,667	\$ 575,000
26 Community Facilities District (CFD 94-1)	-	-	58,095	-	-	58,095
27 Grant Revenue	-	706,763	-	-	-	706,763
28 Interest	-	-	-	-	51,819	51,819
29 Other Non-Op Revenue	95,376	283	-	-	7,732	103,390
30 Capital Contribution	-	-	-	-	-	-
31 Other Non-Op Expenses	(1,210)	-	(581)	-	(26,946)	(28,737)
32 Income(Loss)	\$ 52,227	\$ 829,403	\$ 94,967	\$ 13,124	\$ 98,523	\$ 1,088,245
33						
34 Additional Funding Sources						
35 Allocation of Non-Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36 Transfers	-	-	-	-	-	-
37 Balance	\$ 52,227	\$ 829,403	\$ 94,967	\$ 13,124	\$ 98,523	\$ 1,088,245
Earnings Before Interest, Depreciation & Amortization	\$ 156,228	\$ 949,145	\$ 166,426	\$ 28,522	\$ 103,227	\$ 1,403,547
Operating Ratio	76%	93%	151%		11358%	Median
Operating Ratio - plus Tax & CFD	76%	58%	57%	692%	519%	54%



YTD For the Period Ended October 31, 2024

Income Statement	Wastewater	Water	Recreation & Parks	Fleet & Equipment	General & Administrative	Total
1 Operations						
2 Operating Revenue	\$ 1,672,862	\$ 1,933,913	\$ 719,332	\$ -	\$ 11,807	\$ 4,337,913
3 Internal Revenue	16,320	28,095	20,460	-	-	64,876
4 Total Operating Revenue	\$ 1,689,182	\$ 1,962,008	\$ 739,792	\$ -	\$ 11,807	\$ 4,402,789
5						
6 Salaries and Wages	\$ (456,443)	\$ (333,358)	\$ (402,736)	\$ (54,644)	\$ (778,226)	\$ (2,025,406)
7 Employee Benefits	(230,931)	(163,244)	(185,459)	(30,631)	(330,187)	(940,452)
8 Outside Services/Contractual	(19,758)	(94,229)	(76,309)	(12,875)	(266,501)	(469,672)
9 Utilities	(67,199)	(180,456)	(45,602)	(2,501)	(40,327)	(336,086)
10 Other Operating Expenses	(71,111)	(157,096)	(78,603)	(79,848)	(137,384)	(524,042)
11 Internal Expense	(3,717)	(4,604)	(30,915)	(541)	(25,099)	(64,876)
12 Debt Service	-	(9,149)	-	-	-	(9,149)
13 Insurance	(30,620)	(30,620)	(30,620)	(20,568)	(33,904)	(146,332)
14 Depreciation	(411,675)	(470,400)	(285,058)	(61,302)	(15,054)	(1,243,489)
15 Total Operating Expense	(1,291,453)	(1,443,157)	(1,135,303)	(262,908)	(1,626,682)	(5,759,504)
16						
17 Operating Contribution	\$ 397,729	\$ 518,851	\$ (395,511)	\$ (262,908)	\$ (1,614,876)	\$ (1,356,715)
18						
19 Allocation of Base	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 Allocation of Fleet	(138,941)	(131,217)	(50,058)	320,216	-	-
21 Allocation of General & Administrative	(566,752)	(598,155)	(463,971)	-	1,628,878	-
22 Operating Income(Loss)	\$ (307,964)	\$ (210,521)	\$ (909,540)	\$ 57,308	\$ 14,002	\$ (1,356,715)
23						
24 Non-Operations						
25 Property Tax Revenue	\$ -	\$ 1,066,667	\$ 933,333	\$ 33,333	\$ 266,667	\$ 2,300,000
26 Community Facilities District (CFD 94-1)	-	-	232,381	-	-	232,381
27 Grant Revenue	-	706,763	32,228	-	-	738,990
28 Interest	-	-	-	-	125,002	125,002
29 Other Non-Op Revenue	95,376	454	-	-	31,303	127,132
30 Capital Contribution	-	-	-	-	-	-
31 Other Non-Op Expenses	(104,034)	-	6,926	-	(53,131)	(150,239)
32 Income(Loss)	\$ (316,623)	\$ 1,563,362	\$ 295,329	\$ 90,641	\$ 383,844	\$ 2,016,552
33						
34 Additional Funding Sources						
35 Allocation of Non-Operating Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36 Transfers	-	-	-	-	-	-
37 Balance	\$ (316,623)	\$ 1,563,362	\$ 295,329	\$ 90,641	\$ 383,844	\$ 2,016,552
Earnings Before Interest, Depreciation & Amortization	\$ 95,052	\$ 2,042,910	\$ 580,387	\$ 151,943	\$ 398,898	\$ 3,269,190
Operating Ratio	76%	74%	153%			Median
Operating Ratio - plus Tax & CFD	76%	48%	60%			54%



Wastewater Operations
Statement of Revenues and Expenses
For the Period Ended October 31, 2024

Income Statement	Month-To-Date				Year-To-Date				Prior
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
1 Operations									
2 Operating Revenue	\$ 410,274	\$ 415,487	\$ (5,213)	-1.3%	\$ 1,672,862	\$ 1,661,949	\$ 10,913	0.7%	\$ 1,495,260
3 Internal Revenue	4,080	4,080	-	0.0%	16,320	16,319	1	0.0%	14,718
4 Total Operating Revenue	\$ 414,354	\$ 419,567	\$ (5,213)	-1.2%	\$ 1,689,182	\$ 1,678,268	\$ 10,914	0.7%	\$ 1,509,978
5									
6 Salaries and Wages	\$ (112,622)	\$ (125,267)	\$ 12,645	10.1%	\$ (456,443)	\$ (494,701)	\$ 38,258	7.7%	\$ (381,557)
7 Employee Benefits	(59,449)	(70,356)	10,907	15.5%	(230,931)	(270,047)	39,116	14.5%	(195,980)
8 Outside Services/Contractual	(15,145)	(54,142)	38,997	72.0%	(19,758)	(134,142)	114,384	85.3%	(44,998)
9 Utilities	(8,910)	(20,065)	11,155	55.6%	(67,199)	(76,865)	9,666	12.6%	(65,009)
10 Other Operating Expenses	(5,988)	(26,110)	20,122	77.1%	(71,111)	(135,550)	64,439	47.5%	(68,788)
11 Insurance	(7,655)	(7,771)	116	1.5%	(30,620)	(31,086)	466	1.5%	(24,868)
12 Internal Expense	(931)	(1,926)	995	51.7%	(3,717)	(4,705)	988	21.0%	(3,902)
13 Debt Service	-	-	-	0.0%	-	-	-	0.0%	-
14 Depreciation	(104,000)	(106,368)	2,368	2.2%	(411,675)	(424,959)	13,284	3.1%	(394,893)
15 Total Operating Expense	\$ (314,700)	\$ (412,005)	\$ 97,305	23.6%	\$ (1,291,454)	\$ (1,572,055)	\$ 280,601	17.8%	\$ (1,179,995)
16									
17 Operating Contribution	\$ 99,654	\$ 7,562	\$ 92,092	1217.8%	\$ 397,728	\$ 106,213	\$ 291,515	274.5%	\$ 329,983
18									
19 Allocation of Base	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
20 Allocation of Fleet	(27,095)	(27,095)	-	0.0%	(138,941)	(138,941)	-	0.0%	(103,314)
21 Allocation of General & Administrative	(114,497)	(151,131)	36,634	24.2%	(566,752)	(692,383)	125,631	18.1%	-
22 Operating Income(Loss)	\$ (41,938)	\$ (170,664)	\$ 128,726	75.4%	\$ (307,965)	\$ (725,111)	\$ 417,146	57.5%	\$ 226,669
23									
24 Non-Operations									
25 Property Tax Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
26 Community Facilities District (CFD 94-1)	-	-	-	0.0%	-	-	-	0.0%	-
27 Grant Revenue	-	-	-	0.0%	-	-	-	0.0%	-
28 Interest	-	-	-	0.0%	-	-	-	0.0%	-
29 Other Non-Op Revenue	95,376	-	95,376	100.0%	95,376	-	95,376	100.0%	-
30 Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
31 Other Non-Op Expenses	(1,210)	-	(1,210)	-100.0%	(104,034)	-	(104,034)	-100.0%	-
32 Income(Loss)	\$ 52,228	\$ (170,664)	\$ 222,892	130.6%	\$ (316,623)	\$ (725,111)	\$ 408,488	56.3%	\$ 226,669
33									
34 Additional Funding Sources									
35 Allocation of Non-Operating Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
36 Transfers	-	-	-	0.0%	-	-	-	0.0%	-
37 Balance	\$ 52,228	\$ (170,664)	\$ 222,892	130.6%	\$ (316,623)	\$ (725,111)	\$ 408,488	56.3%	\$ 226,669
Earnings Before Interest, Depreciation & Amortization	\$ 156,228	\$ (64,296)	\$ 220,524	343.0%	\$ 95,052	\$ (300,152)	\$ 395,204	131.7%	\$ 621,562
Operating Ratio	76%	98%	-22%	-22.7%	76%	94%	-17%	-18.4%	78%
Operating Ratio - plus Tax & CFD	76%	98%	-22%	-22.7%	76%	94%	-17%	-18.4%	78%



**Statement of Revenues and Expenses
For the Period Ended October 31, 2024**

Income Statement	Month-To-Date				Year-To-Date				Prior
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
1 Operations									
2 Operating Revenue	\$ 430,987	\$ 444,714	\$ (13,727)	-3.1%	\$ 1,933,913	\$ 1,907,551	\$ 26,362	1.4%	\$ 1,630,900
3 Internal Revenue	6,130	5,157	973	18.9%	28,095	20,630	7,465	36.2%	24,052
4 Total Operating Revenue	\$ 437,117	\$ 449,871	\$ (12,754)	-2.8%	\$ 1,962,008	\$ 1,928,181	\$ 33,827	1.8%	\$ 1,654,952
5									
6 Salaries and Wages	\$ (85,829)	\$ (90,866)	\$ 5,037	5.5%	\$ (333,358)	\$ (362,660)	\$ 29,302	8.1%	\$ (360,906)
7 Employee Benefits	(42,925)	(50,265)	7,340	14.6%	(163,244)	(192,932)	29,688	15.4%	(183,372)
8 Outside Services/Contractual	(41,243)	(19,009)	(22,234)	-117.0%	(94,229)	(108,726)	14,497	13.3%	(64,230)
9 Utilities	(58,866)	(30,605)	(28,261)	-92.3%	(180,456)	(149,920)	(30,536)	-20.4%	(122,636)
10 Other Operating Expenses	(50,742)	(43,823)	(6,919)	-15.8%	(157,096)	(240,713)	83,617	34.7%	(191,537)
11 Insurance	(7,655)	(7,771)	116	1.5%	(30,620)	(31,086)	466	1.5%	(24,868)
12 Internal Expense	(1,151)	(2,151)	1,000	46.5%	(4,604)	(5,604)	1,000	17.8%	(5,491)
13 Debt Service	(2,118)	(2,118)	-	0.0%	(9,149)	(9,825)	676	6.9%	(12,956)
14 Depreciation	(117,624)	(106,975)	(10,649)	-10.0%	(470,400)	(426,772)	(43,628)	-10.2%	(381,508)
15 Total Operating Expense	\$ (408,153)	\$ (353,583)	\$ (54,570)	-15.4%	\$ (1,443,156)	\$ (1,528,238)	\$ 85,082	5.6%	\$ (1,347,504)
16									
17 Operating Contribution	\$ 28,964	\$ 96,288	\$ (67,324)	-69.9%	\$ 518,852	\$ 399,943	\$ 118,909	29.7%	\$ 307,448
18									
19 Allocation of Base	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
20 Allocation of Fleet	(25,589)	(25,589)	-	0.0%	(131,217)	(131,217)	-	0.0%	(97,160)
21 Allocation of General & Administrative	(147,684)	(143,098)	(4,586)	-3.2%	(598,155)	(655,582)	57,427	8.8%	-
22 Operating Income(Loss)	\$ (144,309)	\$ (72,399)	\$ (71,910)	-99.3%	\$ (210,520)	\$ (386,856)	\$ 176,336	45.6%	\$ 210,288
23									
24 Non-Operations									
25 Property Tax Revenue	\$ 266,667	\$ 266,667	\$ -	0.0%	\$ 1,066,667	\$ 1,066,667	\$ -	0.0%	\$ 566,667
26 Community Facilities District (CFD 94-1)	-	-	-	0.0%	-	-	-	0.0%	-
27 Grant Revenue	706,763	-	706,763	100.0%	706,763	-	706,763	100.0%	447,307
28 Interest	-	-	-	0.0%	-	-	-	0.0%	-
29 Other Non-Op Revenue	283	-	283	100.0%	454	-	454	100.0%	25,095
30 Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
31 Other Non-Op Expenses	-	-	-	0.0%	-	-	-	0.0%	-
32 Income(Loss)	\$ 829,404	\$ 194,268	\$ 635,136	326.9%	\$ 1,563,364	\$ 679,811	\$ 883,553	130.0%	\$ 1,249,357
33									
34 Additional Funding Sources									
35 Allocation of Non-Operating Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
36 Transfers	-	-	-	0.0%	-	-	-	0.0%	-
37 Balance	\$ 829,404	\$ 194,268	\$ 635,136	326.9%	\$ 1,563,364	\$ 679,811	\$ 883,553	130.0%	\$ 1,249,357
Earnings Before Interest, Depreciation & Amortization	\$ 949,146	\$ 303,361	\$ 645,785	212.9%	\$ 2,042,913	\$ 1,116,408	\$ 926,505	83.0%	\$ 1,643,821
Operating Ratio	93%	79%	15%	18.8%	74%	79%	-6%	-7.2%	81%
Operating Ratio - plus Tax & CFD	58%	49%	9%	17.5%	48%	51%	-3%	-6.6%	61%



**Recreation & Parks Operations
Statement of Revenues and Expenses
For the Period Ended October 31, 2024**

Income Statement	Month-To-Date				Year-To-Date				Prior
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
1 Operations									
2 Operating Revenue	\$ 171,694	\$ 148,718	\$ 22,976	15.4%	\$ 719,332	\$ 695,877	\$ 23,455	3.4%	\$ 650,466
3 Internal Revenue	6,100	13,035	(6,935)	-53.2%	20,460	26,185	(5,725)	-21.9%	24,533
4 Total Operating Revenue	\$ 177,794	\$ 161,753	\$ 16,041	9.9%	\$ 739,792	\$ 722,062	\$ 17,730	2.5%	\$ 674,999
5									
6 Salaries and Wages	\$ (97,165)	\$ (98,115)	\$ 950	1.0%	\$ (402,736)	\$ (388,973)	\$ (13,763)	-3.5%	\$ (363,169)
7 Employee Benefits	(45,304)	(51,294)	5,990	11.7%	(185,459)	(196,880)	11,421	5.8%	(177,369)
8 Outside Services/Contractual	(19,151)	(25,245)	6,094	24.1%	(76,309)	(89,790)	13,481	15.0%	(72,599)
9 Utilities	(5,371)	(8,223)	2,852	34.7%	(45,602)	(44,568)	(1,034)	-2.3%	(34,140)
10 Other Operating Expenses	(14,872)	(16,150)	1,278	7.9%	(78,603)	(106,480)	27,877	26.2%	(65,583)
11 Insurance	(7,655)	(7,771)	116	1.5%	(30,620)	(31,086)	466	1.5%	(25,198)
12 Internal Expense	(6,836)	(5,875)	(961)	-16.4%	(30,915)	(23,502)	(7,413)	-31.5%	(25,531)
13 Debt Service	-	-	-	0.0%	-	-	-	0.0%	-
14 Depreciation	(71,459)	(69,936)	(1,523)	-2.2%	(285,058)	(278,244)	(6,814)	-2.4%	(221,351)
15 Total Operating Expense	\$ (267,813)	\$ (282,609)	\$ 14,796	5.2%	\$ (1,135,302)	\$ (1,159,523)	\$ 24,221	2.1%	\$ (984,940)
16									
17 Operating Contribution	\$ (90,019)	\$ (120,856)	\$ 30,837	25.5%	\$ (395,510)	\$ (437,461)	\$ 41,951	9.6%	\$ (309,941)
18									
19 Allocation of Base	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
20 Allocation of Fleet	(9,762)	(9,762)	-	0.0%	(50,058)	(50,058)	-	0.0%	(36,618)
21 Allocation of General & Administrative	(96,100)	(114,009)	17,909	15.7%	(463,971)	(522,313)	58,342	11.2%	-
22 Operating Income(Loss)	\$ (195,881)	\$ (244,627)	\$ 48,746	19.9%	\$ (909,539)	\$ (1,009,832)	\$ 100,293	9.9%	\$ (346,559)
23									
24 Non-Operations									
25 Property Tax Revenue	\$ 233,333	\$ 233,333	\$ -	0.0%	\$ 933,333	\$ 933,333	\$ -	0.0%	\$ 883,333
26 Community Facilities District (CFD 94-1)	58,095	56,908	1,187	2.1%	232,381	227,633	4,748	2.1%	227,856
27 Grant Revenue	-	-	-	0.0%	32,228	-	32,228	100.0%	949,330
28 Interest	-	-	-	0.0%	-	-	-	0.0%	-
29 Other Non-Op Revenue	-	-	-	0.0%	-	-	-	0.0%	-
30 Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
31 Other Non-Op Expenses	(581)	-	(581)	-100.0%	6,926	-	6,926	100.0%	(2,279)
32 Income(Loss)	\$ 94,966	\$ 45,614	\$ 49,352	108.2%	\$ 295,329	\$ 151,134	\$ 144,195	95.4%	\$ 1,711,681
33									
34 Additional Funding Sources									
35 Allocation of Non-Operating Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
36 Transfers	-	-	-	0.0%	-	-	-	0.0%	-
37 Balance	\$ 94,966	\$ 45,614	\$ 49,352	108.2%	\$ 295,329	\$ 151,134	\$ 144,195	95.4%	\$ 1,711,681
Earnings Before Interest, Depreciation & Amortization	\$ 166,425	\$ 115,550	\$ 50,875	44.0%	\$ 580,387	\$ 429,378	\$ 151,009	35.2%	\$ 1,933,032
Operating Ratio	151%	175%	-24%	-13.8%	153%	161%	-7%	-4.4%	146%
Operating Ratio - plus Tax & CFD	57%	63%	-5%	-8.7%	60%	62%	-2%	-3.2%	55%



51-5100
 Division Recreation & Parks
 Department Event Center Operations

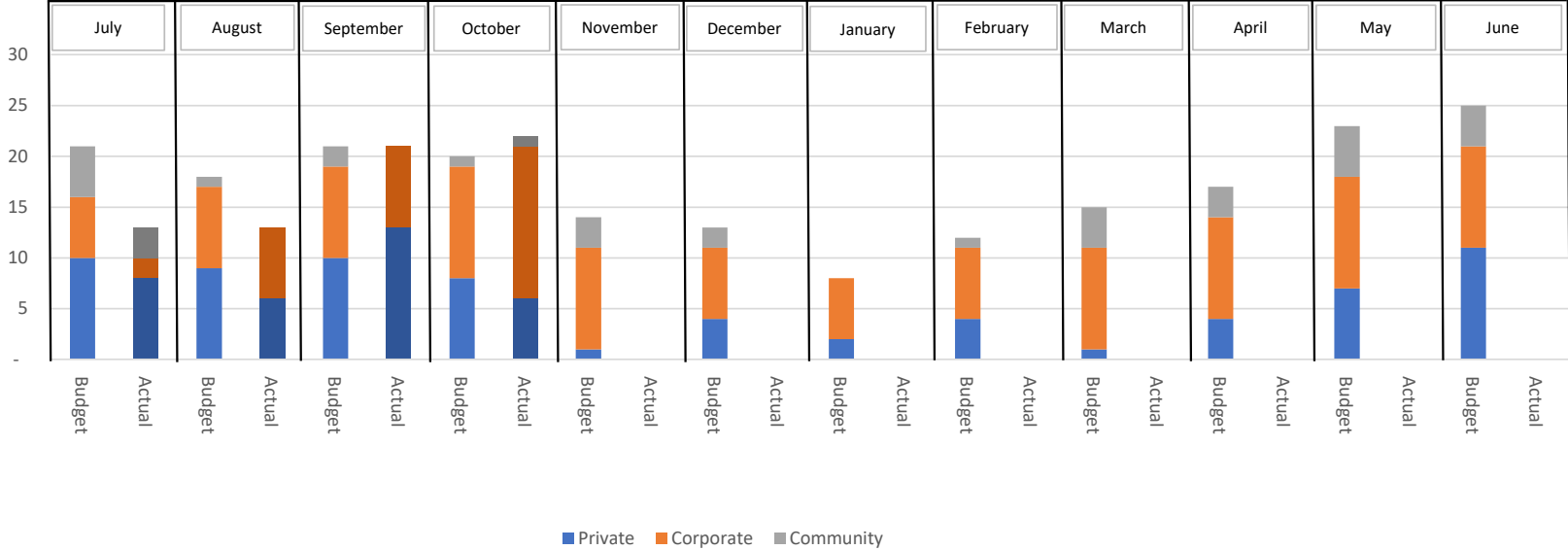
Statement of Revenues and Expenses
 For the Period Ended October 31, 2024

Income Statement	Month-To-Date				Year-To-Date				Prior YTD
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	
1 Operations									
2 Operating Revenue	\$ 51,911	\$ 46,718	\$ 5,193	11.1%	\$ 200,511	\$ 204,127	\$ (3,616)	-1.8%	\$ 194,741
3 Internal Revenue	6,100	13,035	(6,935)	-53.2%	20,460	26,185	(5,725)	-21.9%	24,533
4 Total Operating Revenue	\$ 58,011	\$ 59,753	\$ (1,742)	-2.9%	\$ 220,971	\$ 230,312	\$ (9,341)	-4.1%	\$ 219,274
5									
6 Salaries and Wages	\$ (29,931)	\$ (31,327)	\$ 1,396	4.5%	\$ (120,764)	\$ (124,076)	\$ 3,312	2.7%	\$ (134,269)
7 Employee Benefits	(15,171)	(17,654)	2,483	14.1%	(58,396)	(67,762)	9,366	13.8%	(63,201)
8 Outside Services/Contractual	(2,297)	(2,745)	448	16.3%	(3,486)	(4,540)	1,054	23.2%	(1,990)
9 Utilities	(4,560)	(4,274)	(286)	-6.7%	(24,419)	(21,326)	(3,093)	-14.5%	(19,657)
10 Other Operating Expenses	(7,770)	(9,150)	1,380	15.1%	(40,592)	(39,120)	(1,472)	-3.8%	(32,360)
11 Insurance	-	-	-	0.0%	-	-	-	0.0%	-
12 Internal Expense	(1,863)	(1,845)	(18)	-1.0%	(7,453)	(7,381)	(72)	-1.0%	(7,059)
13 Debt Service	-	-	-	0.0%	-	-	-	0.0%	-
14 Depreciation	-	-	-	0.0%	-	-	-	0.0%	-
15 Total Operating Expense	\$ (61,592)	\$ (66,995)	\$ 5,403	8.1%	\$ (255,110)	\$ (264,205)	\$ 9,095	3.4%	\$ (258,536)
16									
17 Operating Contribution	\$ (3,581)	\$ (7,242)	\$ 3,661	50.6%	\$ (34,139)	\$ (33,893)	\$ (246)	-0.7%	\$ (39,262)
18									
19 Allocation of Base	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
20 Allocation of Fleet	-	-	-	0.0%	-	-	-	0.0%	-
21 Allocation of General & Administrative	-	-	-	0.0%	-	-	-	0.0%	-
22 Operating Income(Loss)	\$ (3,581)	\$ (7,242)	\$ 3,661	50.6%	\$ (34,139)	\$ (33,893)	\$ (246)	-0.7%	\$ (39,262)
23									
24 Non-Operations									
25 Property Tax Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
26 Community Facilities District (CFD 94-1)	-	-	-	0.0%	-	-	-	0.0%	-
27 Grant Revenue	-	-	-	0.0%	-	-	-	0.0%	-
28 Interest	-	-	-	0.0%	-	-	-	0.0%	-
29 Other Non-Op Revenue	-	-	-	0.0%	-	-	-	0.0%	-
30 Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
31 Other Non-Op Expenses	-	-	-	0.0%	-	-	-	0.0%	-
32 Income(Loss)	\$ (3,581)	\$ (7,242)	\$ 3,661	50.6%	\$ (34,139)	\$ (33,893)	\$ (246)	-0.7%	\$ (39,262)
33									
34 Additional Funding Sources									
35 Allocation of Non-Operating Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
36 Transfers	-	-	-	0.0%	-	-	-	0.0%	-
37 Balance	\$ (3,581)	\$ (7,242)	\$ 3,661	50.6%	\$ (34,139)	\$ (33,893)	\$ (246)	-0.7%	\$ (39,262)

North Tahoe Event Center Reservation Pipeline

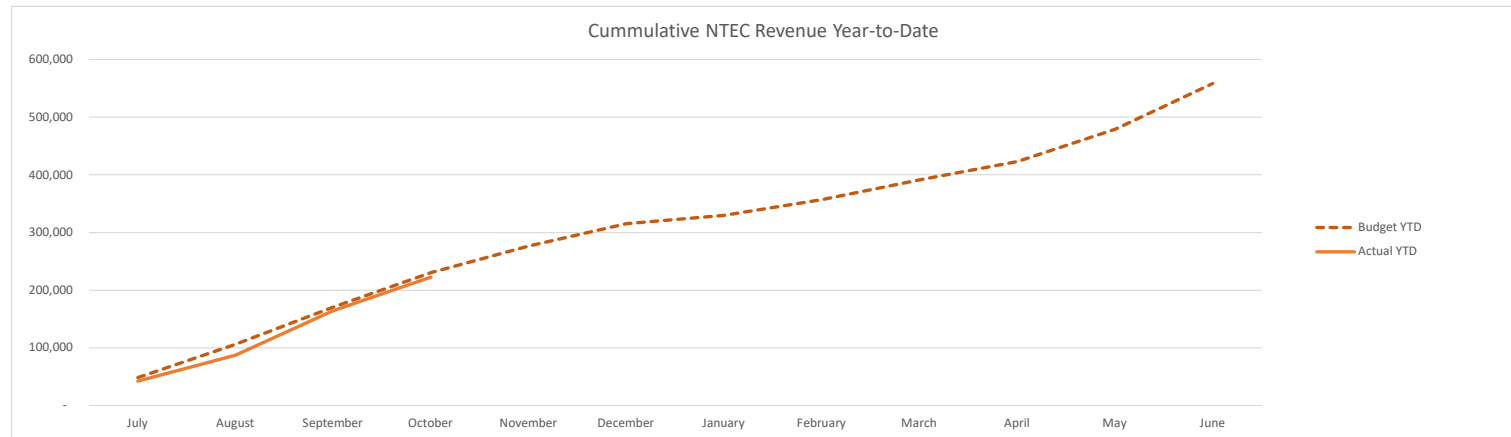
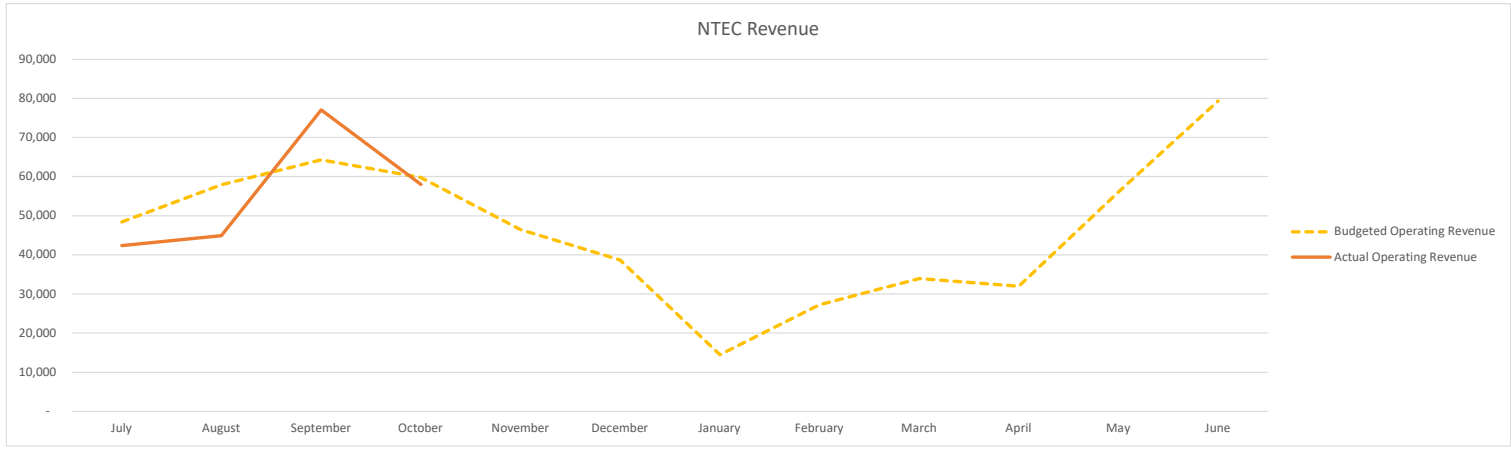
		July	August	September	October	November	December	January	February	March	April	May	June	Total
Revenue														
	Private	31,555	34,935	38,871	31,341	14,558	16,942	2,302	13,316	7,288	9,631	22,603	42,161	265,503
	Corporate	6,970	15,902	11,907	23,206	27,004	17,948	11,262	10,348	20,189	14,804	22,789	22,774	205,103
	Community	3,150	1,106	2,213	1,106	2,656	1,771	-	885	3,542	2,656	4,427	4,426	27,938
	Budgeted Total Room Rent	41,675	51,943	52,991	55,653	44,218	36,661	13,564	24,549	31,019	27,091	49,819	69,361	498,544
2025	Private	29,585	22,435	55,880	23,443	18,407	2,340	3,400	-	1,540	15,200	29,660	63,820	265,709
	Corporate	5,000	8,618	10,026	24,078	5,920	1,900	-	-	-	-	-	2,890	58,432
	Community	-	-	-	1,050	-	-	-	-	-	-	-	-	1,050
	Actual Total Room Rent	34,585	31,053	65,906	48,571	24,327	4,240	3,400	-	1,540	15,200	29,660	66,710	325,191
2026	Private	22,070	15,300	56,890	8,300	3,400	-	-	-	-	-	-	8,300	114,260
	Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-
	Community	-	-	-	-	-	-	-	-	-	-	-	-	-
	Actual Total Room Rent	22,070	15,300	56,890	8,300	3,400	-	-	-	-	-	-	8,300	114,260
2027	Private	-	-	-	-	-	-	-	-	-	-	-	-	-
	Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-
	Community	-	-	-	-	-	-	-	-	-	-	-	-	-
	Actual Total Room Rent	-	-	-	-	-	-	-	-	-	-	-	-	-
# Events														
2025	Budgeted Private	10	9	10	8	1	4	2	4	1	4	7	11	71
	Budgeted Corporate	6	8	9	11	10	7	6	7	10	10	11	10	105
	Budgeted Community	5	1	2	1	3	2	-	1	4	3	5	4	31
		21	18	21	20	14	13	8	12	15	17	23	25	207
2025	Actual Private	8	6	13	6	6	1	1	-	1	4	7	11	64
	Actual Corporate	2	7	8	15	4	4	-	-	-	-	-	1	41
	Actual Community	3	-	-	1	47	49	-	1	-	-	-	-	101
		13	13	21	22	57	54	1	1	1	4	7	12	206
2026	Actual Private	6	2	9	1	1	-	-	-	-	-	-	1	20
	Actual Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-
	Actual Community	-	-	-	-	-	-	-	-	-	-	-	-	-
		6	2	9	1	1	-	-	-	-	-	-	1	20
2027	Actual Private	-	-	-	-	-	-	-	-	-	-	-	-	-
	Actual Corporate	-	-	-	-	-	-	-	-	-	-	-	-	-
	Actual Community	-	-	-	-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-	-	-	-

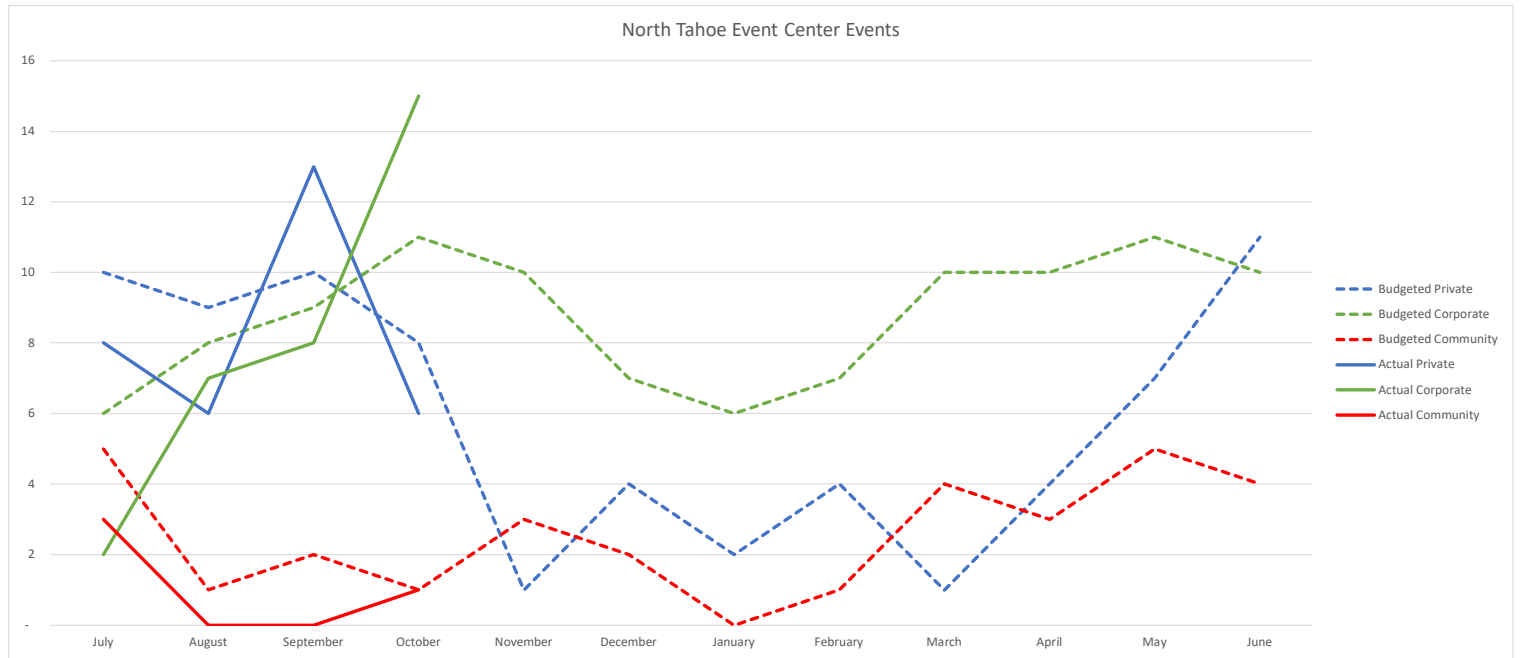
NTEC Number of Events



North Tahoe Event Center FY 2024-25

	July	August	September	October	November	December	January	February	March	April	May	June	Total
Revenue													
Private	31,555	34,935	38,871	31,341	14,558	16,942	2,302	13,316	7,288	9,631	22,603	42,161	265,503
Corporate	6,970	15,902	11,907	23,206	27,004	17,948	11,262	10,348	20,189	14,804	22,789	22,774	205,103
Community	3,150	1,106	2,213	1,106	2,656	1,771	-	885	3,542	2,656	4,427	4,426	27,938
Budgeted Total Room Rent	41,675	51,943	52,991	55,653	44,218	36,661	13,564	24,549	31,019	27,091	49,819	69,361	498,544
Program Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary Revenue	6,700	5,950	11,300	4,100	2,200	2,050	900	2,700	2,950	4,850	6,300	10,000	60,000
Budgeted Operating Revenue	48,375	57,893	64,291	59,753	46,418	38,711	14,464	27,249	33,969	31,941	56,119	79,361	558,544
Private	29,585	22,435	55,880	23,443	-	-	-	-	-	-	-	-	131,343
Corporate	5,000	8,618	10,026	24,078	-	-	-	-	-	-	-	-	47,722
Community	-	-	-	1,050	-	-	-	-	-	-	-	-	1,050
Actual Total Room Rent	34,585	31,053	65,906	48,571	-	-	-	-	-	-	-	-	180,115
Program Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Ancillary Revenue	7,754	13,876	11,098	9,440	-	-	-	-	-	-	-	-	42,168
Actual Operating Revenue	42,339	44,929	77,004	58,011	-	-	-	-	-	-	-	-	222,283
Variance to Budget	(6,036)	(12,964)	12,713	(1,742)	(46,418)	(38,711)	(14,464)	(27,249)	(33,969)	(31,941)	(56,119)	(79,361)	(336,261)
# Events													
Budgeted Private	10	9	10	8	1	4	2	4	1	4	7	11	71
Budgeted Corporate	6	8	9	11	10	7	6	7	10	10	11	10	105
Budgeted Community	5	1	2	1	3	2	-	1	4	3	5	4	31
	21	18	21	20	14	13	8	12	15	17	23	25	207
Actual Private	8	6	13	6	-	-	-	-	-	-	-	-	33
Actual Corporate	2	7	8	15	-	-	-	-	-	-	-	-	32
Actual Community	3	-	-	1	-	-	-	-	-	-	-	-	4
	13	13	21	22	-	-	-	-	-	-	-	-	69





* Program & Recreation events reporting to be forthcoming



**Fleet & Equipment Support
Statement of Revenues and Expenses
For the Period Ended October 31, 2024**

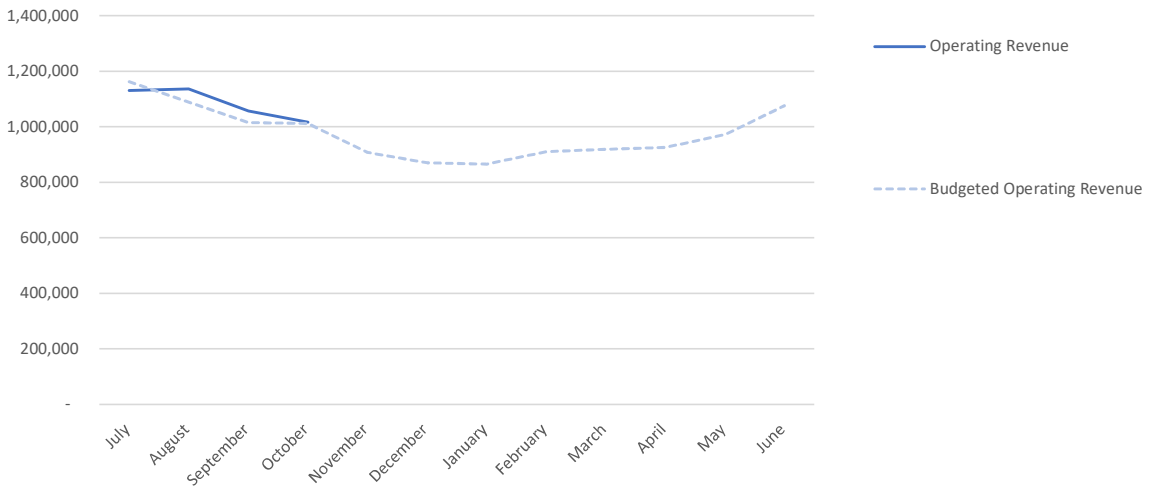
Income Statement	Month-To-Date				Year-To-Date				Prior
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
1 Operations									
2 Operating Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
3 Internal Revenue	-	-	-	0.0%	-	-	-	0.0%	-
4 Total Operating Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
5									
6 Salaries and Wages	\$ (12,867)	\$ (13,734)	\$ 867	6.3%	\$ (54,644)	\$ (53,532)	\$ (1,112)	-2.1%	\$ (45,507)
7 Employee Benefits	(7,730)	(8,518)	788	9.3%	(30,631)	(32,695)	2,064	6.3%	(25,016)
8 Outside Services/Contractual	(2,243)	(4,200)	1,957	46.6%	(12,875)	(8,150)	(4,725)	-58.0%	(2,056)
9 Utilities	(568)	(900)	332	36.9%	(2,501)	(3,600)	1,099	30.5%	(2,717)
10 Other Operating Expenses	(13,576)	(9,500)	(4,076)	-42.9%	(79,848)	(124,250)	44,402	35.7%	(51,554)
11 Insurance	(5,142)	(4,676)	(466)	-10.0%	(20,568)	(18,704)	(1,864)	-10.0%	(22,193)
12 Internal Expense	(133)	(140)	7	5.0%	(541)	(559)	18	3.2%	(565)
13 Debt Service	-	-	-	0.0%	-	-	-	0.0%	-
14 Depreciation	(15,398)	(20,778)	5,380	25.9%	(61,302)	(78,726)	17,424	22.1%	(40,592)
15 Total Operating Expense	\$ (57,657)	\$ (62,446)	\$ 4,789	7.7%	\$ (262,910)	\$ (320,216)	\$ 57,306	17.9%	\$ (190,200)
16									
17 Operating Contribution	\$ (57,657)	\$ (62,446)	\$ 4,789	7.7%	\$ (262,910)	\$ (320,216)	\$ 57,306	17.9%	\$ (190,200)
18									
19 Allocation of Base	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
20 Allocation of Fleet	62,446	62,446	-	0.0%	320,216	320,216	-	0.0%	237,091
21 Allocation of General & Administrative	-	-	-	0.0%	-	-	-	0.0%	-
22 Operating Income(Loss)	\$ 4,789	\$ -	\$ 4,789	100.0%	\$ 57,306	\$ -	\$ 57,306	100.0%	\$ 46,891
23									
24 Non-Operations									
25 Property Tax Revenue	\$ 8,333	\$ 8,333	\$ -	0.0%	\$ 33,333	\$ 33,333	\$ -	0.0%	\$ 141,667
26 Community Facilities District (CFD 94-1)	-	-	-	0.0%	-	-	-	0.0%	-
27 Grant Revenue	-	-	-	0.0%	-	-	-	0.0%	-
28 Interest	-	-	-	0.0%	-	-	-	0.0%	-
29 Other Non-Op Revenue	-	-	-	0.0%	-	-	-	0.0%	-
30 Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
31 Other Non-Op Expenses	-	-	-	0.0%	-	-	-	0.0%	-
32 Income(Loss)	\$ 13,122	\$ 8,333	\$ 4,789	57.5%	\$ 90,639	\$ 33,333	\$ 57,306	171.9%	\$ 188,558
33									
34 Additional Funding Sources									
35 Allocation of Non-Operating Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
36 Transfers	-	-	-	0.0%	-	-	-	0.0%	-
37 Balance	\$ 13,122	\$ 8,333	\$ 4,789	57.5%	\$ 90,639	\$ 33,333	\$ 57,306	171.9%	\$ 188,558
Earnings Before Interest, Depreciation & Amortization	\$ 28,520	\$ 29,111	\$ (591)	-2.0%	\$ 151,941	\$ 112,059	\$ 39,882	35.6%	\$ 229,150



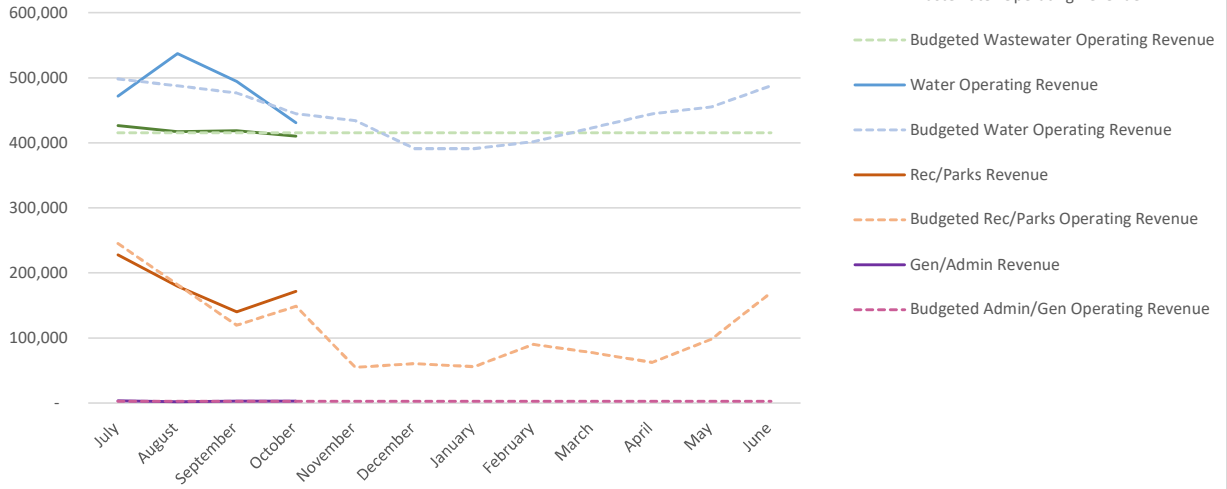
**General & Administrative Support
Statement of Revenues and Expenses
For the Period Ended October 31, 2024**

Income Statement	Month-To-Date				Year-To-Date				Prior
	Actual	Budget	Variance	% Variance	Actual	Budget	Variance	% Variance	YTD
1 Operations									
2 Operating Revenue	\$ 3,189	\$ 2,500	\$ 689	27.6%	\$ 11,807	\$ 10,000	\$ 1,807	18.1%	\$ 11,760
3 Internal Revenue	-	-	-	0.0%	-	-	-	0.0%	-
4 Total Operating Revenue	\$ 3,189	\$ 2,500	\$ 689	27.6%	\$ 11,807	\$ 10,000	\$ 1,807	18.1%	\$ 11,760
5									
6 Salaries and Wages	\$ (167,056)	\$ (206,740)	\$ 39,684	19.2%	\$ (778,226)	\$ (848,220)	\$ 69,994	8.3%	\$ (782,540)
7 Employee Benefits	(75,478)	(79,447)	3,969	5.0%	(330,187)	(328,702)	(1,485)	-0.5%	(288,740)
8 Outside Services/Contractual	(57,184)	(46,473)	(10,711)	-23.0%	(266,501)	(332,166)	65,665	19.8%	(216,857)
9 Utilities	(6,247)	(9,747)	3,500	35.9%	(40,327)	(40,008)	(319)	-0.8%	(35,741)
10 Other Operating Expenses	(35,815)	(36,823)	1,008	2.7%	(137,384)	(225,102)	87,718	39.0%	(127,383)
11 Insurance	(8,476)	(8,521)	45	0.5%	(33,904)	(34,086)	182	0.5%	(28,100)
12 Internal Expense	(7,259)	(12,180)	4,921	40.4%	(25,099)	(28,764)	3,665	12.7%	(27,815)
13 Debt Service	-	-	-	0.0%	-	-	-	0.0%	-
14 Depreciation	(4,703)	(4,507)	(196)	-4.3%	(15,054)	(18,028)	2,974	16.5%	(9,612)
15 Total Operating Expense	\$ (362,218)	\$ (404,438)	\$ 42,220	10.4%	\$ (1,626,682)	\$ (1,855,076)	\$ 228,394	12.3%	\$ (1,516,788)
16									
17 Operating Contribution	\$ (359,029)	\$ (401,938)	\$ 42,909	10.7%	\$ (1,614,875)	\$ (1,845,076)	\$ 230,201	12.5%	\$ (1,505,028)
18									
19 Allocation of Base	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
20 Allocation of Fleet	-	-	-	0.0%	-	-	-	0.0%	-
21 Allocation of General & Administrative	358,281	408,238	(49,957)	-12.2%	1,628,878	1,870,278	(241,400)	-12.9%	-
22 Operating Income(Loss)	\$ (748)	\$ 6,300	\$ (7,048)	-111.9%	\$ 14,003	\$ 25,202	\$ (11,199)	-44.4%	\$ (1,505,028)
23									
24 Non-Operations									
25 Property Tax Revenue	\$ 66,667	\$ 66,667	\$ -	0.0%	\$ 266,667	\$ 266,667	\$ -	0.0%	\$ 508,333
26 Community Facilities District (CFD 94-1)	-	-	-	0.0%	-	-	-	0.0%	-
27 Grant Revenue	-	-	-	0.0%	-	-	-	0.0%	-
28 Interest	51,819	8,333	43,486	521.9%	125,002	33,333	91,669	275.0%	57,848
29 Other Non-Op Revenue	7,732	6,447	1,285	19.9%	31,303	25,410	5,893	23.2%	2,553
30 Capital Contribution	-	-	-	0.0%	-	-	-	0.0%	-
31 Other Non-Op Expenses	(26,946)	(8,333)	(18,613)	-223.4%	(53,131)	(33,333)	(19,798)	-59.4%	(33,333)
32 Income(Loss)	\$ 98,524	\$ 79,414	\$ 19,110	24.1%	\$ 383,844	\$ 317,279	\$ 66,565	21.0%	\$ (969,627)
33									
34 Additional Funding Sources									
35 Allocation of Non-Operating Revenue	\$ -	\$ -	\$ -	0.0%	\$ -	\$ -	\$ -	0.0%	\$ -
36 Transfers	-	-	-	0.0%	-	-	-	0.0%	-
37 Balance	\$ 98,524	\$ 79,414	\$ 19,110	24.1%	\$ 383,844	\$ 317,279	\$ 66,565	21.0%	\$ (969,627)
Earnings Before Interest, Depreciation & Amortization	\$ 103,227	\$ 83,921	\$ 19,306	23.0%	\$ 398,898	\$ 335,307	\$ 63,591	19.0%	\$ (960,015)

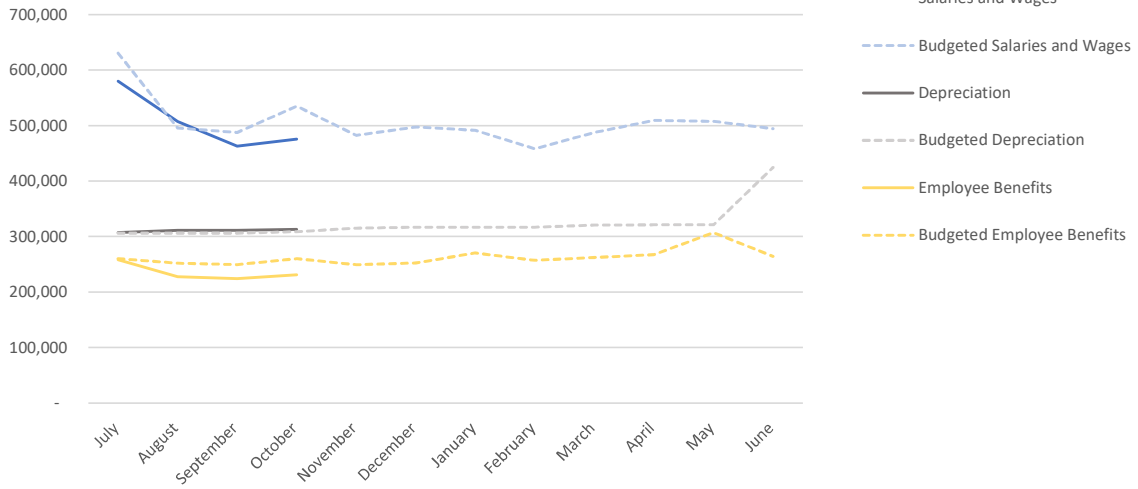
Operating Revenues Year to Date



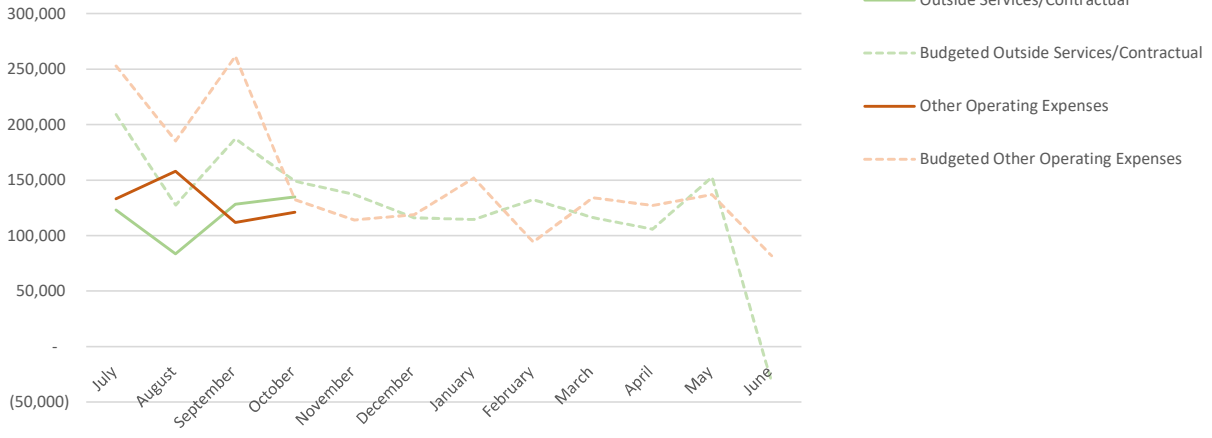
Enterprise Operating Revenues Year to Date



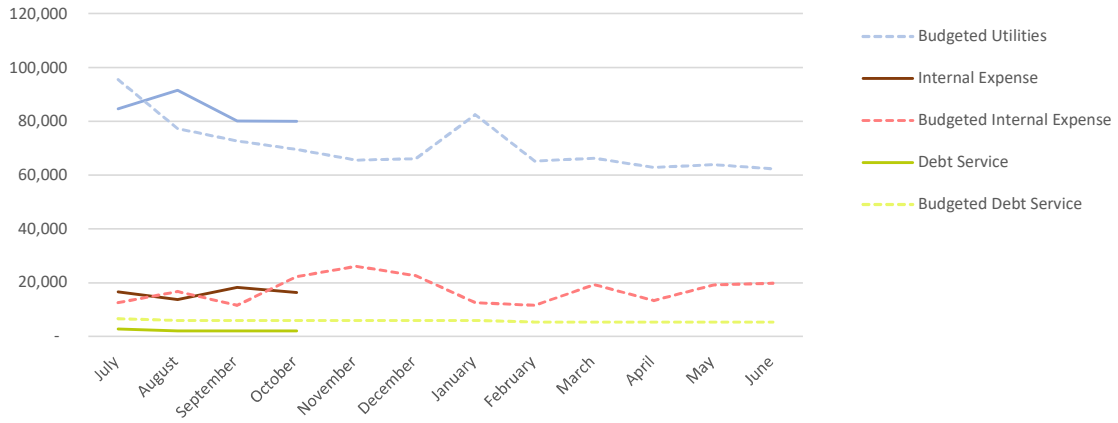
Expenses Year to Date



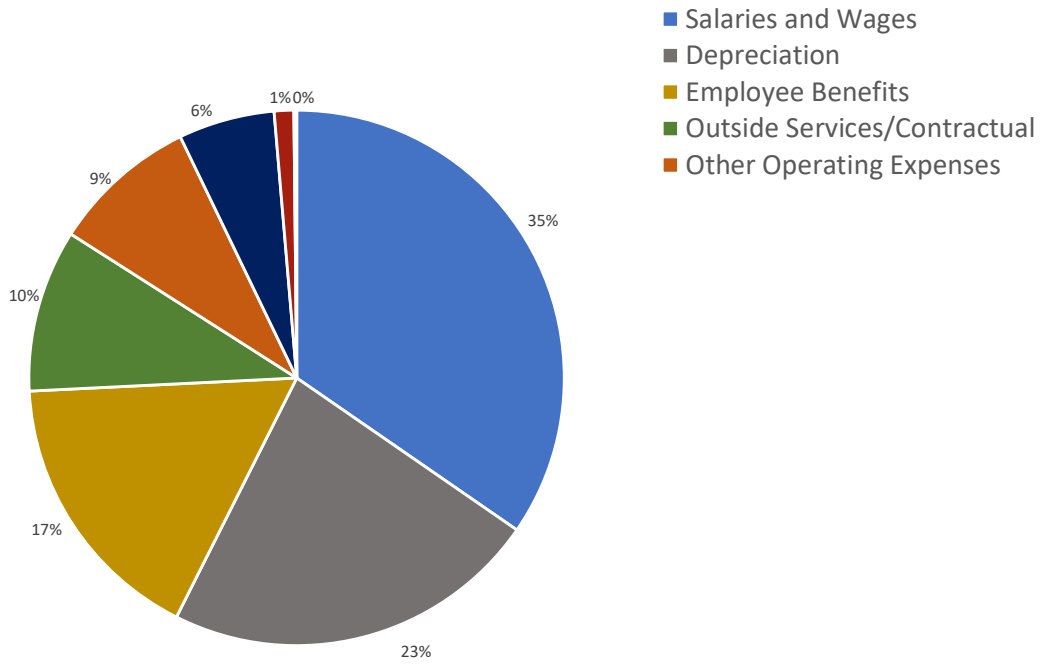
Expenses Year to Date



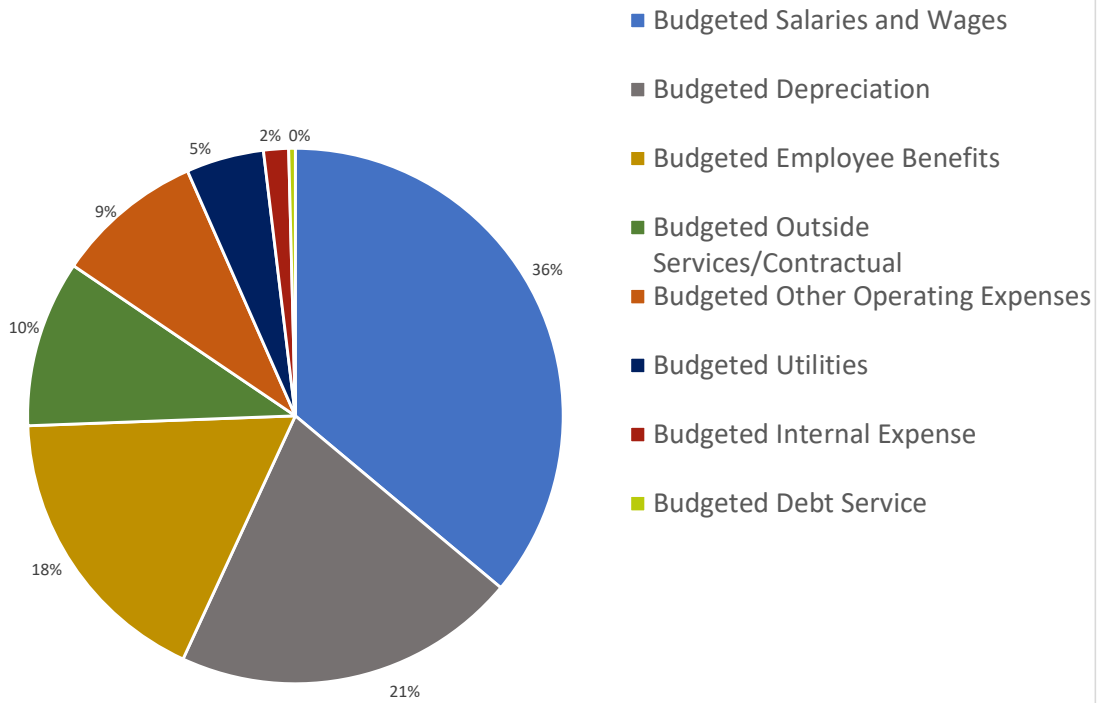
Expenses Year to Date



Actual October



Budgeted October



Capital Outlay

Projects In Process
For the Period Ended October 31, 2024

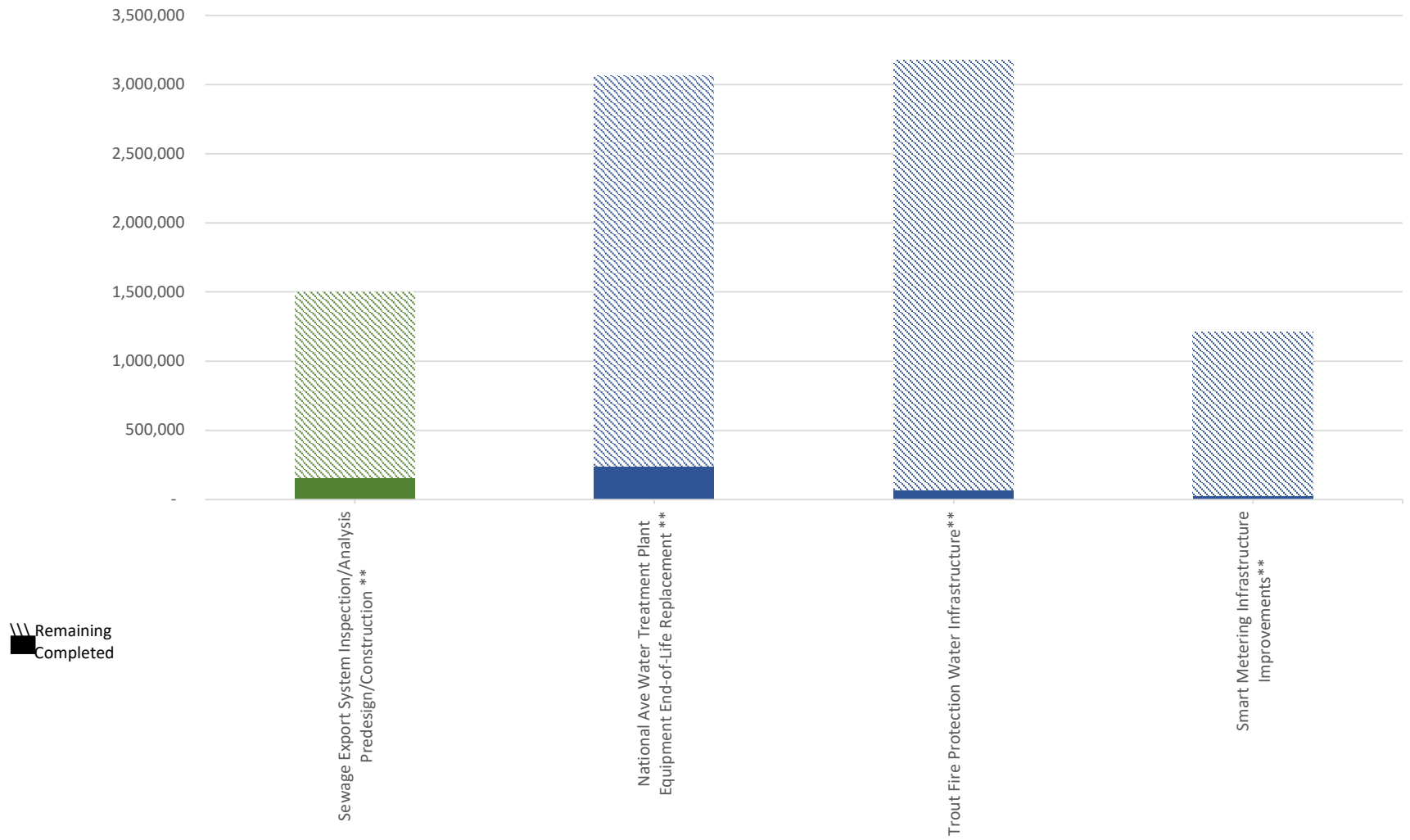
Project Number	Project Description	2025 Adopted Budget	Prior Year Open Project Rollforward	Budget Adjustment	Total Available Budget	Year To Date			Return to Reserves	C = Complete G = Grant Funded	Grant Amount	Grant Funding
						Actual	Encumbered	(Over) Under Budget				
Administration & Base												
2501-0000	Base Administration Building Improvements	\$ 25,000	\$ -	\$ -	25,000	\$ 1,961	\$ -	\$ 23,039				
2151-0000	Master Plan: Corporation Yard Layout *	-	184,683	-	184,683	55,127	51,914	77,642				
2415-0000	Server and Network Equipment Replacement*	-	24,255	-	24,255	7,010	-	17,245	17,245	C		
2515-0000	Server and Network Equipment Replacement	50,000	-	-	50,000	299	-	49,701				
2403-0000	Administration Building Roof Improvements **	-	17,012	-	17,012	3,361	25,820	(12,169)				
2405-0000	Base Facility Detention Pond Fencing*	-	15,686	-	15,686	31,129	-	(15,443)	(15,443)	C		
2503-0000	Administration Building Roof Improvements	250,000	-	-	250,000	4,062	-	245,938				
2505-0000	Base Area Site Improvements	10,000	-	-	10,000	416	-	9,584				
2502-0000	Accounting Department Furniture	20,000	-	-	20,000	2,347	-	17,653				
Total Administration Purchases		\$ 355,000	\$ 241,636	\$ -	\$ 596,636	\$ 105,712	\$ 77,734	\$ 413,191	\$ 1,802		\$ -	
Fleet												
2430-0000	Truck: 3/4 ton 2500HD 4x4 GMC Sierra (qty 4 left to deliver)*	\$ -	\$ 320,711	\$ -	\$ 320,711	\$ -	\$ 245,780	\$ 74,931				
2520-0000	Portable Water Pump	60,000	-	-	60,000	-	-	60,000				
2521-0000	Compact Loader	180,000	-	-	180,000	-	154,574	25,426				
2522-0000	MultiHog Attachments	15,000	-	-	15,000	11,610	-	3,390	3,390	C		
Total Fleet Purchases		\$ 255,000	\$ 320,711	\$ -	\$ 575,711	\$ 11,610	\$ 400,354	\$ 163,747	\$ 3,390		\$ -	
Wastewater												
2244-0000	Packaged Satellite Sewer Pump Station Improvements Project S-1, S-2, N-2, D-2, D-5, S-3*	\$ -	\$ 36,033	\$ -	\$ 36,033	\$ 49,312	-	\$ (13,279)	(13,279)	C		
2540-0000	Lower Lateral CIPP Rehabilitation	70,000	-	-	70,000	617	-	69,383				
2441-0000	Sewer Force Main Improvements*	-	25,000	-	25,000	12,943	-	12,057				
2541-0000	Sewer Force Main Improvements	70,000	-	-	70,000	-	-	70,000				
2542-0000	Lower Lateral Replacement	70,000	-	-	70,000	-	-	70,000				
2543-0000	Sewer Collection System Improvements	70,000	-	-	70,000	-	-	70,000				
Sewage Export System Inspection/Analysis												
2445-0000	Pre-design/Construction **	100,000	143,562	-	243,562	9,071	108,928	125,563				
2446-0000	Satellite PS Rehabilitation Design*	-	81,132	-	81,132	64,631	21,227	(4,725)				
2549-0000	SCADA Infrastructure Improvements	25,000	-	-	25,000	8,791	-	16,209				
2552-0000	Sewage Pump Station Improvements	60,000	-	-	60,000	-	-	60,000				
2550-0021	Pavement Maintenance - Slurry Seal - Wastewater	20,500	-	-	20,500	12,875	-	7,626				
2547-0000	Satellite PS Improvements Project - 3 Stations Phase 1	100,000	-	-	100,000	-	-	100,000				
2548-0000	State Route 28 Adjust Structures - Wastewater	65,000	-	-	65,000	-	-	65,000				
Total Wastewater Purchases		\$ 650,500	\$ 285,727	\$ -	\$ 936,227	\$ 158,239	\$ 130,155	\$ 647,833	\$ (13,279)		\$ -	

Capital Outlay

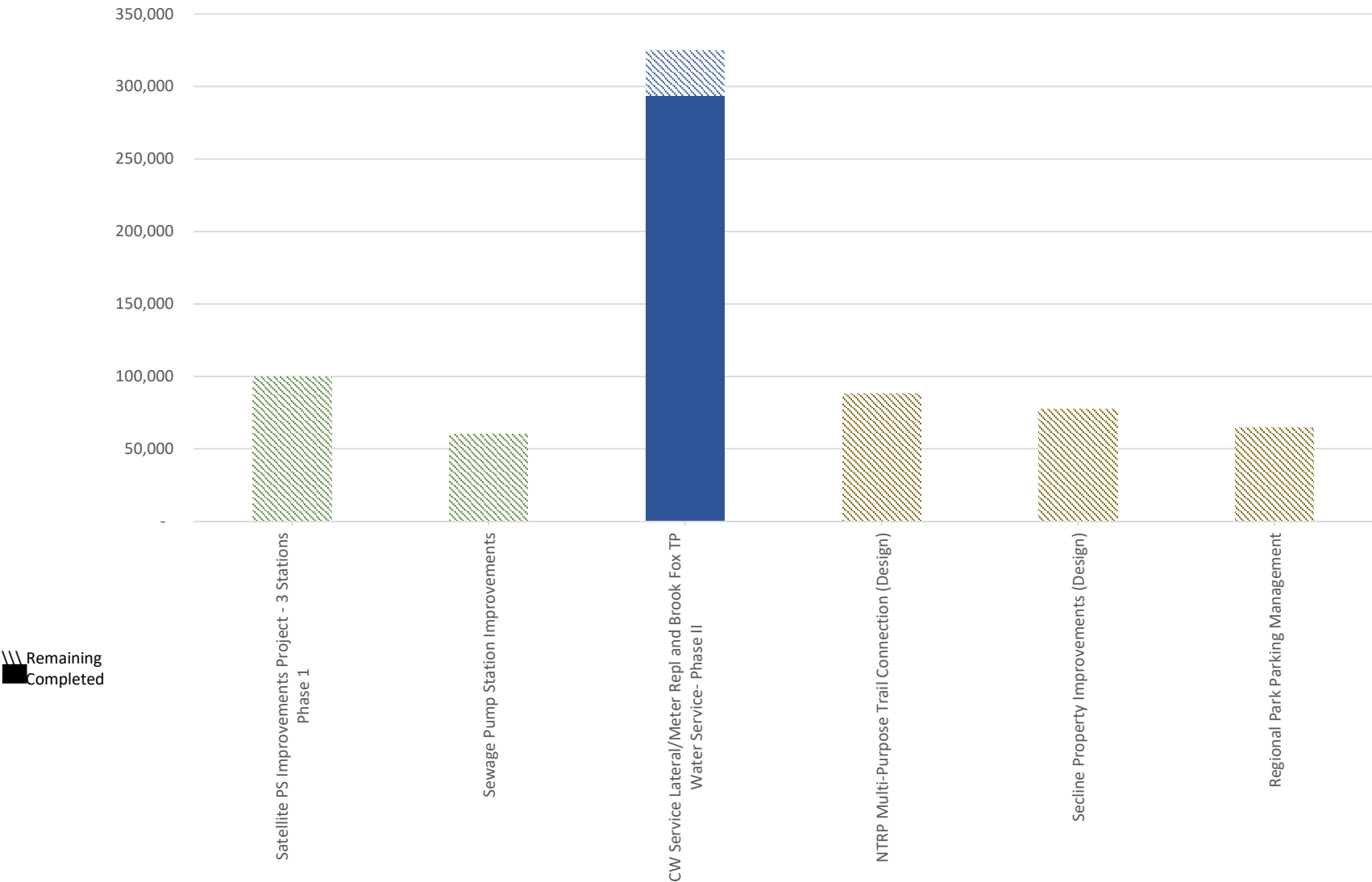
Projects In Process
For the Period Ended October 31, 2024



Project Number	Project Description	2025 Adopted Budget	Prior Year Open Project Rollforward	Budget Adjustment	Total Available Budget	Year To Date			Return to Reserves	C = Complete G = Grant Funded	Grant Amount	Grant Funding
						Actual	Encumbered	(Over) Under Budget				
Water												
2361-0000	Brockway Drinking Water and Fire Protection Infrastructure*	\$ 2,600,000	\$ 192,426	\$ -	\$ 2,792,426	\$ 1,388,487	\$ 784,325	\$ 619,614		G	743,568	27%
	National Ave Water Treatment Plant Equipment End-of-Life											
2464-0000	Replacement **	125,000	141,986	-	266,986	87,451	158,060	21,475				
2465-0000	Trout Fire Protection Water Infrastructure**	25,000	-	-	25,000	18,810	-	6,190				
2570-0000	Water PS Mechanical and Electrical Improvements	70,000	-	-	70,000	24,040	-	45,960				
2571-0000	Water Facility Improvements	70,000	-	-	70,000	-	-	70,000				
2550-0031	Pavement Maintenance - Slurry Seal - Water	25,000	-	-	25,000	3,929	-	21,071				
2562-0000	Smart Metering Infrastructure Improvements**	60,000	-	-	60,000	24,715	-	35,285				
2472-0000	Carnelian Woods Booster Station 2 Pump*	-	(7,851)	-	(7,851)	34,035	9,765	(51,651)				
2560-0000	CW Service Lateral/Meter Repl and Brook Fox TP Water Service-Phase II	325,000	-	-	325,000	293,580	18,782	12,638				
	Total Water Purchases	\$ 3,300,000	\$ 326,561	\$ -	\$ 3,626,561	\$ 1,875,046	\$ 970,932	\$ 780,583	\$ -		\$ 743,568	
Recreation and Parks												
2481-0000	Joint Needs Analysis - NTPUD/TCPUD Phase III *	\$ -	\$ 58,037	\$ -	\$ 58,037	\$ (832)	\$ 3,178	\$ 55,691		#		
2040-PLC	Wayfinding and Destination Signage Project	140,000	-	-	140,000	-	16,897	123,103		G	69,894	50%
2284-0000	NTEC Architectural Planning Study *	-	21,986	-	21,986	1,708	-	20,278				
2486-0000	Pickleball Plaza Improvements *	300,000	(17,103)	-	282,897	-	4,478	278,419				
2192-0000	NTEC Emergency Generator *	160,000	228,068	-	388,068	20,661	380,107	(12,700)		G	154,379	40%
2590-0000	NTEC - Furnishings, Fixtures and Building Improvements	50,000	-	-	50,000	3,963	-	46,037				
2482-0000	Park Facility Improvements*	-	(40,243)	-	(40,243)	5,375	-	(45,618)	(45,618)	C		
2582-0000	Park Facility Improvements	80,000	-	-	80,000	17,462	-	62,538				
2550-0043	Pavement Maintenance - Slurry Seal - Parks	60,000	-	-	60,000	31,035	-	28,965				
2484-0000	NTRP Multi-Purpose Trail Connection (Design)	150,000	-	-	150,000	61,863	69,796	18,341		G	83,349	56%
2580-0000	Secline Property Improvements (Design)	120,000	-	-	120,000	42,651	260,416	(183,067)		G	80,000	67%
2581-0000	Regional Park Parking Management	70,000	-	-	70,000	5,389	41,568	23,044				
2591-0000	NTEC - Bathroom Remodel (Design)	50,000	-	-	50,000	3,596	-	46,404				
	Total Recreation and Parks Purchases	\$ 1,180,000	\$ 250,745	\$ -	\$ 1,430,745	\$ 192,871	\$ 776,440	\$ 461,434	\$ (45,618)		\$ 387,621	
*	Project carry-over from Prior Year											
**	Multi-year encumbrance - on 5 year CIP											
#	Non-grant cost reimbursement											
	Administration & Base	\$ 355,000	\$ 241,636	\$ -	\$ 596,636	\$ 105,712	\$ 77,734	\$ 413,191	\$ 1,802		\$ -	
	Fleet	255,000	320,711	-	575,711	11,610	400,354	163,747	3,390		-	
	Wastewater	650,500	285,727	-	936,227	158,239	130,155	647,833	(13,279)		-	
	Water	3,300,000	326,561	-	3,626,561	1,875,046	970,932	780,583	-		743,568	
	Recreation and Parks	1,180,000	250,745	-	1,430,745	192,871	776,440	461,434	(45,618)		387,621	
	Total Capital Expenditures	\$ 5,740,500	\$ 1,425,380	\$ -	\$ 7,165,880	\$ 2,343,478	\$ 2,355,614	\$ 2,466,788	\$ (53,705)		\$ 1,131,189	

Multi-Year Capital Projects \$1M and Above

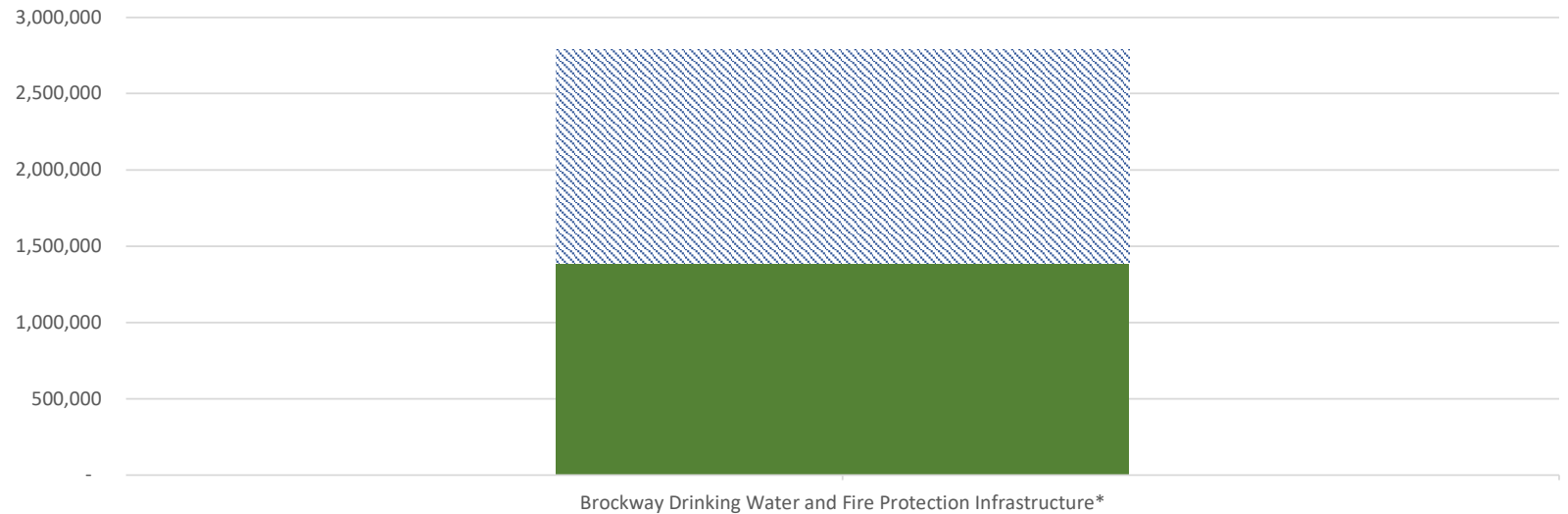


Multi-Year Capital Projects under \$1M



 Remaining
 Completed

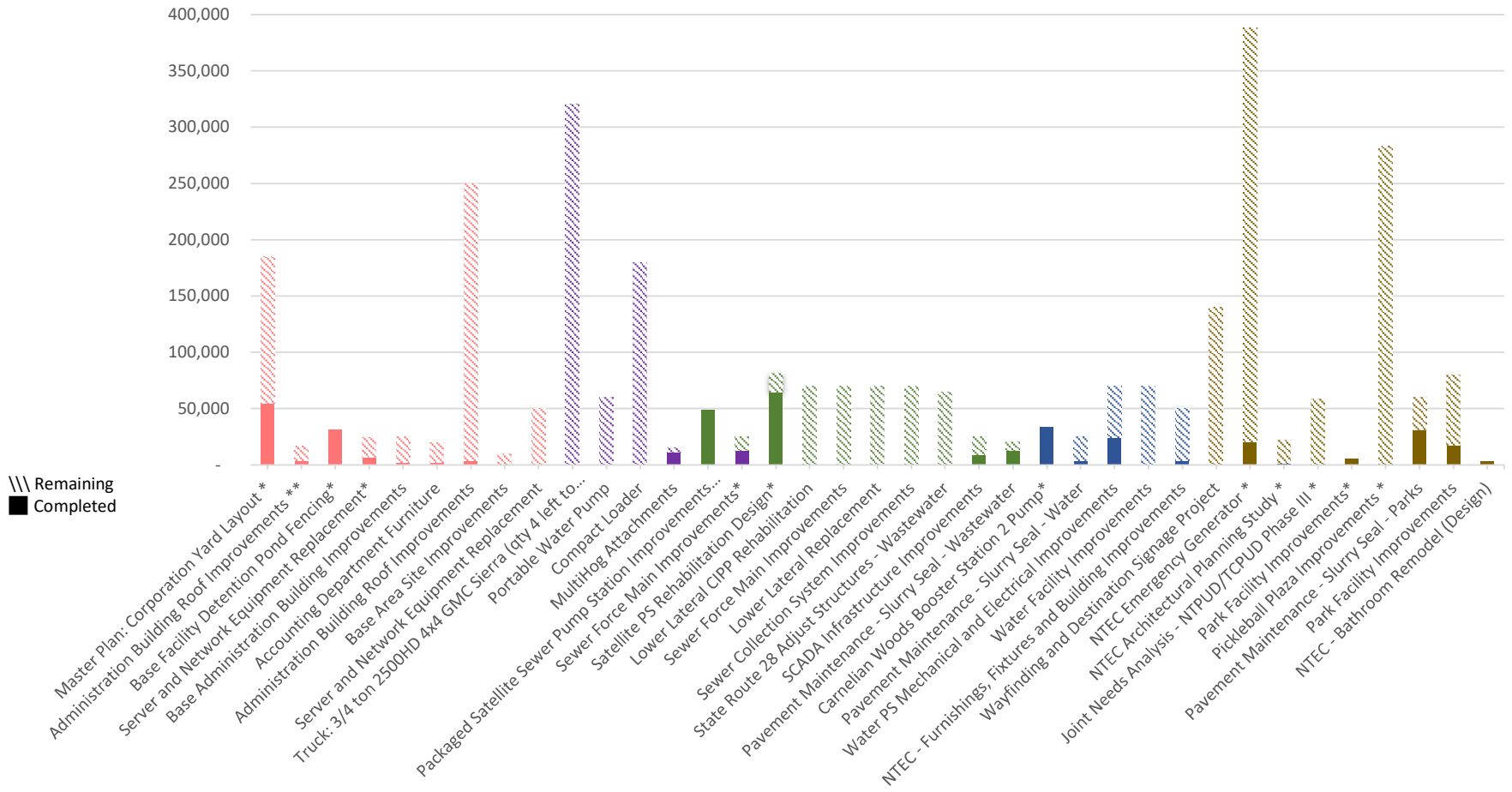
FY 24-25 Capital Projects \$500,000 and Above



Remaining
Completed

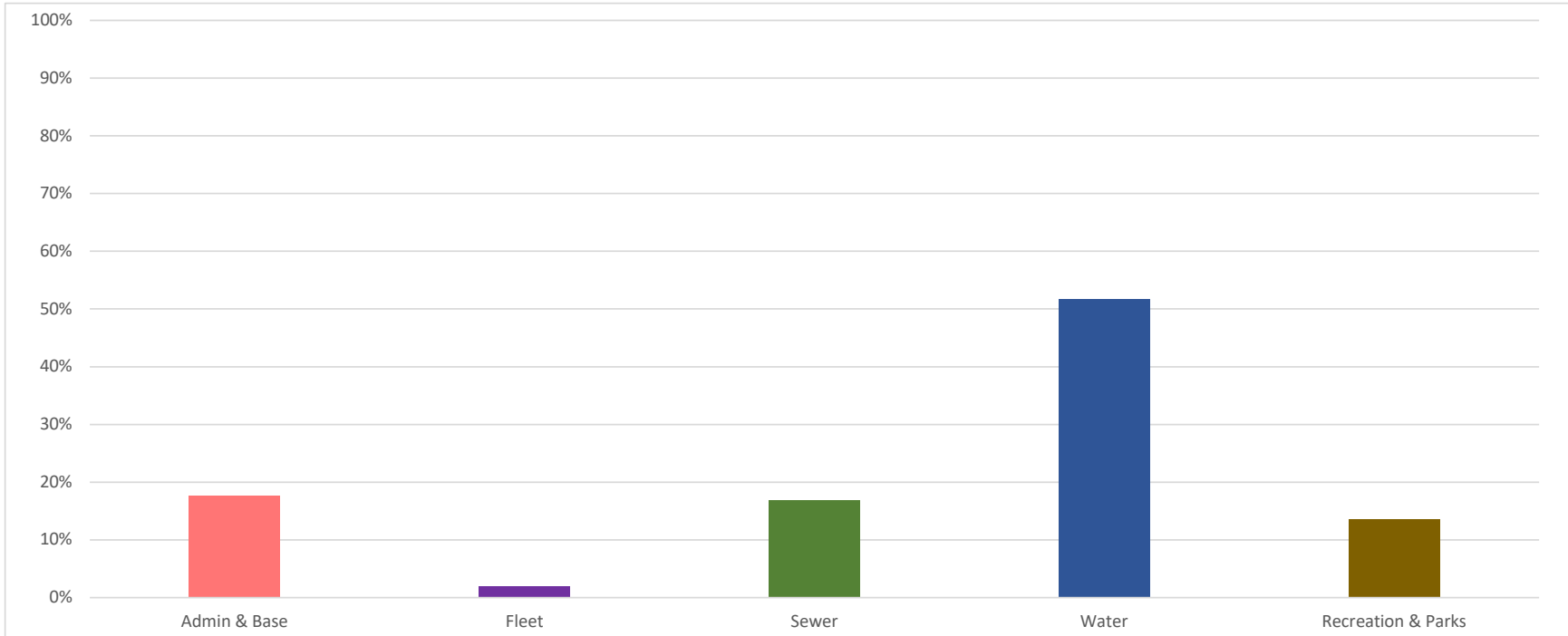
** Multi-year encumbrance

FY 24-25 Capital Projects under \$500,000



Capital Projects Expended by Enterprise as % of Current Year Budget for Enterprise

Total \$ 596,636 \$ 575,711 \$ 936,227 \$ 3,626,561 \$ 1,430,745





Consolidated Balance Sheet
For the Period Ended October 31, 2024

	Current Month	Prior Month	FYE 2024
ASSETS			
Current Assets			
Cash & Cash Equivalents	\$ 7,922,097	\$ 9,175,227	\$ 9,313,951
Investments	1,392,772	1,603,333	2,073,333
Due (To)/From Other Fund	-	-	-
Accounts Receivable	3,612,407	3,099,211	1,494,773
Inventory	206,889	206,889	206,889
Deposits and Prepaid Expenses	343,018	410,667	715,379
Total Current Assets	\$ 13,477,184	\$ 14,495,327	\$ 13,804,325
Restricted Assets			
Cash & Cash Equivalents	\$ 444,799	\$ 444,799	\$ 444,799
Accounts Receivable	844,439	270,577	246,382
Deposits and Prepaid Expenses	-	-	-
Total Restricted Assets	\$ 1,289,238	\$ 715,376	\$ 691,181
Non-Current Assets			
Subscription Asset	\$ 591,637	\$ 591,637	\$ 591,637
Accumulated Amortization	(249,834)	(249,834)	(249,834)
Net Subscription Asset (New GASB 96)	\$ 341,803	\$ 341,803	\$ 341,803
Property, Plant & Equipment			
Work in Process	\$ 3,033,607	\$ 2,873,108	\$ 2,714,789
Land	7,123,368	7,123,368	7,123,368
Property Rights	15,237	15,237	15,237
Buildings and Improvements	31,732,285	31,683,375	31,631,476
Vehicles and Equipment	8,855,688	8,844,078	8,844,078
Furniture and Office Equipment	2,013,093	1,980,339	1,980,339
Water System	48,750,810	48,746,881	48,746,881
Sewer System	43,153,549	43,153,549	41,231,128
Subtotal - Property, Plant & Equipment	144,677,637	144,419,935	142,287,296
Accumulated Depreciation	(73,289,923)	(72,976,738)	(72,046,434)
Net Property, Plant & Equipment	\$ 71,387,714	\$ 71,443,197	\$ 70,240,862
DEFERRED OUTFLOWS OF RESOURCES	\$ 2,139,366	\$ 2,139,366	\$ 2,139,366
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 88,635,305	\$ 89,135,069	\$ 87,217,537
LIABILITIES			
Current Liabilities			
Accounts Payable	\$ 141,505	\$ 1,473,808	\$ 415,229
Deferred Revenue	158,438	171,167	254,498
Compensated Absences Payable	815,212	866,923	796,232
Accrued Liabilities	764,378	955,644	806,169
Current Portion of Long-Term Debt	416,452	416,452	416,452
	2,295,985	3,883,994	2,688,579
Current Liabilities (Payable from Restricted Assets)			
Deferred Grant Revenue	\$ -	\$ -	\$ -
Accounts Payable	-	-	-
Total Current Liabilities	\$ 2,295,985	\$ 3,883,994	\$ 2,688,579
Non-Current Liabilities			



Consolidated Balance Sheet
For the Period Ended October 31, 2024

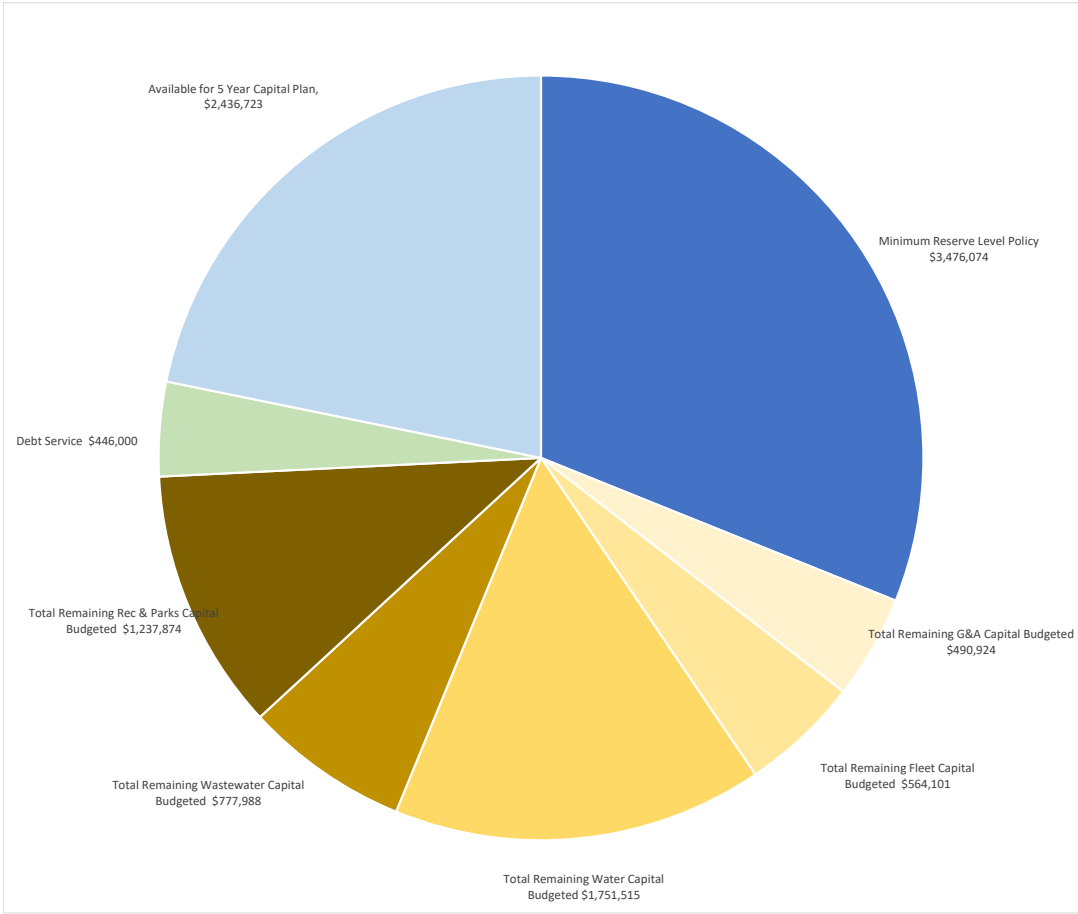
	Current Month	Prior Month	FYE 2024	
Long-Term Debt, Net of Current Portion	\$ 395,277	\$ 395,277	\$ 601,467	
Net Pension Liability	674,113	674,113	674,113	
Total Long Term Liabilities	\$ 1,069,390	\$ 1,069,390	\$ 1,275,580	
DEFERRED INFLOWS OF RESOURCES	\$ 83,840	\$ 83,840	\$ 83,840	
NET POSITION				
Net Investment in Capital Assets (Net of Debt)	\$ 70,575,985	\$ 70,631,467	\$ 69,222,942	
Debt Services	445,936	445,936	445,936	
Net Restricted Assets	1,289,238	715,376.13	691,181.36	
Unrestricted	10,858,379	11,376,758	8,344,877	
Current Year Income / (Loss)	2,016,552	928,307	4,464,601	
Balance	\$ 85,186,089	\$ 84,097,845	\$ 83,169,537	
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCE	\$ 88,635,305	\$ 89,135,069	\$ 87,217,537	
Ratios	Median	NTPUD	NTPUD	FYE 2024
Days in Cash (Cash/Operating Expenses less Depreciation)	296	224	268	
Days of Working Capital (Reserves/Operating Expenses less Depreciation)	92	318	333	
Debt Ratio (Total Liabilities/Total Assets)	36%	4%	4%	5%
Return on Assets (Net Income/Total Assets)	2.5%	5.2%	5.1%	5.2%
Debt Service Coverage Ratio	1.3			
Reserves				
Unrestricted Reserves	\$ 11,181,199	\$ 10,675,543	\$ 11,115,745	
Minimum Reserve Level Policy	(3,476,074)	(3,476,074)	(3,057,239)	
Available for Investment	\$ 7,705,125	\$ 7,199,469	\$ 8,058,506	
Additional FY 2025 EBIDA	4,132,201	4,871,776		
Total Available	\$ 11,837,326	\$ 12,071,245		
Total Remaining FY 2025 Capital Budgeted	(4,766,653)	(6,781,425)		
Debt Service	\$ (446,000)	\$ (446,000)		
Unbudgeted	\$ 6,624,673	\$ 4,843,820		

NTPUD (consolidated)
Statement of Cash Flows
For the Period Ended October 31, 2024
(In Thousands)

	<u>Current Month</u>	<u>Year-to Date</u>
Operating Activities		
Net Income (Loss)	\$1,088,245	\$2,016,551
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	313,185	1,243,489
Net changes in operating assets and liabilities:		
(Increase)/Decrease Account Receivables	(513,197)	(2,117,634)
(Increase)/Decrease Inventories	-	-
(Increase)/Decrease Deposits & Prepaid expenses	67,649	372,361
(Increase)/Decrease Deferred Outflows	-	-
(Decrease)/Increase Payables & Accrued Liabilities	(1,588,009)	(392,593)
(Decrease)/Increase Deferred Grant Revenue	-	-
(Decrease)/Increase in Deferred Inflows	-	-
Net Cash Provided (Used) by operating activities	(632,126)	1,122,173
Investing Activities		
Change in Restricted Assets	(573,862)	(598,056)
Change in Subscription Assets	-	-
Net Purchases of property, plant and equipment	(257,702)	(2,390,341)
Net Cash Provided (Used) by investing activities	(831,564)	(2,988,397)
Financing Activities		
Change in Capital Loan	-	(206,190)
Change in Net Pension Liability	-	-
Net Cash Provided (Used) by financing activities	-	(206,190)
Net increase/(decrease) in cash and cash equivalents	(1,463,690)	(2,072,414)
Cash and Equivalents at beginning of period	10,778,560	11,387,283
Cash and Equivalents at end of period	\$9,314,870	\$9,314,870

North Tahoe Public Utility District
As Of 10/31/2024

Total Reserve Funds of \$11,181,199 of which \$3,476,074 is Restricted as Minimum Reserve



Changes in Reserves from Prior Month	
Minimum Reserve	\$ -
Debt Service	-
Future Capital	827,568
Capital	(257,702)
Total	\$ 569,866

Total Remaining Capital Budgeted is in reference to current year budget



Trended by Month
Statement of Revenues and Expenses
For the Period Ended October 31, 2024

Income Statement	Actual July	Actual August	Actual September	Actual October	Budget November	Budget December	Budget January	Budget February	Budget March	Budget April	Budget May	Budget June	Expected Total	Budgeted Total	Variance
Operations															
Operating Revenue	\$ 1,129,401	\$ 1,136,326	\$ 1,056,042	\$ 1,016,144	\$ 906,795	\$ 869,690	\$ 864,943	\$ 909,953	\$ 918,637	\$ 925,143	\$ 971,570	\$ 1,075,100	\$ 11,779,744	\$ 11,717,208	\$ 62,536
Internal Revenue	16,549	13,728	18,289	16,310	26,087	22,587	12,587	11,587	19,272	13,387	19,187	19,747	209,317	207,577	1,740
Total Operating Revenue	\$ 1,145,950	\$ 1,150,054	\$ 1,074,331	\$ 1,032,454	\$ 932,882	\$ 892,277	\$ 877,530	\$ 921,540	\$ 937,909	\$ 938,530	\$ 990,757	\$ 1,094,847	\$ 11,989,061	\$ 11,924,785	\$ 64,276
Salaries and Wages	\$ (579,824)	\$ (507,077)	\$ (462,967)	\$ (475,538)	\$ (482,248)	\$ (497,376)	\$ (491,470)	\$ (458,107)	\$ (487,311)	\$ (509,184)	\$ (507,682)	\$ (494,266)	\$ (5,953,050)	\$ (6,075,729)	\$ 122,679
Employee Benefits	(258,188)	(227,474)	(239,904)	(230,886)	(249,226)	(252,270)	(270,441)	(256,956)	(262,131)	(267,306)	(307,001)	(264,262)	(3,070,045)	(3,150,848)	80,803
Outside Services/Contractual	(123,056)	(83,520)	(128,130)	(134,966)	(136,854)	(116,122)	(114,436)	(132,374)	(116,240)	(105,778)	(152,728)	31,832	(1,312,372)	(1,515,676)	203,304
Utilities	(84,558)	(91,472)	(80,095)	(79,961)	(65,515)	(66,110)	(82,416)	(65,170)	(66,240)	(62,805)	(63,875)	(62,300)	(870,517)	(849,392)	(21,125)
Other Operating Expenses	(133,327)	(157,899)	(111,824)	(120,992)	(114,161)	(118,873)	(151,955)	(94,358)	(134,098)	(127,088)	(137,008)	(81,803)	(1,483,386)	(1,791,442)	308,056
Insurance	(36,583)	(36,583)	(36,583)	(36,583)	(36,512)	(36,512)	(36,512)	(36,512)	(36,512)	(44,714)	(44,714)	(44,714)	(463,034)	(462,751)	(283)
Internal Expense	(16,549)	(13,728)	(18,289)	(16,310)	(26,087)	(22,587)	(12,587)	(11,587)	(19,272)	(13,387)	(19,187)	(19,747)	(209,317)	(207,577)	(1,740)
Debt Service	(2,796)	(2,118)	(2,118)	(2,118)	(2,118)	(2,118)	(2,118)	(2,118)	(1,426)	(1,426)	(1,426)	(21,426)	(43,326)	(43,997)	671
Depreciation	(307,431)	(311,436)	(311,436)	(313,185)	(315,298)	(316,814)	(316,814)	(316,814)	(320,713)	(321,046)	(321,046)	(424,412)	(3,896,445)	(3,879,686)	(16,759)
Total Operating Expense	\$ (1,542,312)	\$ (1,431,307)	\$ (1,375,346)	\$ (1,410,539)	\$ (1,428,019)	\$ (1,428,782)	\$ (1,478,749)	\$ (1,373,996)	\$ (1,443,943)	\$ (1,452,734)	\$ (1,554,667)	\$ (1,381,098)	\$ (17,301,492)	\$ (17,977,098)	\$ 675,606
Operating Income(Loss)	\$ (396,362)	\$ (281,253)	\$ (301,015)	\$ (378,085)	\$ (495,137)	\$ (536,505)	\$ (601,219)	\$ (452,456)	\$ (506,034)	\$ (514,204)	\$ (563,910)	\$ (286,251)	\$ (5,312,431)	\$ (6,052,313)	\$ 739,882
Non-Operations															
Property Tax Revenue	\$ 575,000	\$ 575,000	\$ 575,000	\$ 575,000	\$ 575,000	\$ 575,000	\$ 575,000	\$ 575,000	\$ 575,000	\$ 575,000	\$ 575,000	\$ 575,000	\$ 6,900,000	\$ 6,900,000	\$ -
Community Facilities District (CFD 94-1)	58,095	58,095	58,095	58,095	56,908	56,908	56,908	56,908	56,908	56,908	56,908	56,908	687,644	682,900	4,744
Grant Revenue	-	-	32,228	706,763	-	248,000	-	-	-	-	-	210,000	1,196,991	458,000	738,991
Interest	7,154	42,709	23,321	51,819	8,333	8,333	8,333	8,333	8,333	8,333	8,333	8,333	191,667	100,000	91,667
Other Non-Op Revenue	6,247	7,855	9,641	103,390	6,447	6,447	6,447	6,447	6,447	6,447	6,447	6,447	178,709	76,989	101,720
Capital Contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Non-Op Expenses	(11,704)	(75,430)	(34,368)	(28,737)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(8,333)	(172,390)	(380,960)	(264,057)	(116,903)
Income(Loss)	\$ 238,430	\$ 326,976	\$ 362,902	\$ 1,088,245	\$ 143,218	\$ 349,850	\$ 37,136	\$ 185,899	\$ 132,321	\$ 124,151	\$ 74,445	\$ 398,047	\$ 3,461,620	\$ 1,901,519	\$ 1,560,101
Additional Funding Sources															
Allocation of Non-Operating Revenue	-	-	-	-	-	-	-	-	-	-	-	-	\$ -	\$ -	\$ -
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Balance	\$ 238,430	\$ 326,976	\$ 362,902	\$ 1,088,245	\$ 143,218	\$ 349,850	\$ 37,136	\$ 185,899	\$ 132,321	\$ 124,151	\$ 74,445	\$ 398,047	\$ 3,461,620	\$ 1,901,519	\$ 1,560,101
Operating Income	\$ (396,362)	\$ (281,253)	\$ (301,015)	\$ (378,085)	\$ (495,137)	\$ (536,505)	\$ (601,219)	\$ (452,456)	\$ (506,034)	\$ (514,204)	\$ (563,910)	\$ (286,251)	\$ (5,312,431)	\$ (6,052,313)	\$ 739,882
Net Income(Loss)	\$ 238,430	\$ 326,976	\$ 362,902	\$ 1,088,245	\$ 143,218	\$ 349,850	\$ 37,136	\$ 185,899	\$ 132,321	\$ 124,151	\$ 74,445	\$ 398,047	\$ 3,461,620	\$ 1,901,519	\$ 1,560,101
Earnings Before Interest, Depreciation & Amortization	\$ 548,657	\$ 640,530	\$ 676,456	\$ 1,403,548	\$ 460,634	\$ 668,782	\$ 356,068	\$ 504,831	\$ 454,460	\$ 446,623	\$ 396,917	\$ 843,885	\$ 7,401,391	\$ 5,825,202	\$ 1,576,189
Operating Ratio	135%	124%	128%	137%	153%	160%	169%	149%	154%	155%	157%	126%	144%	151%	-1051%
Operating Ratio - plus Tax & CFD	87%	80%	81%	85%	91%	94%	98%	88%	92%	93%	96%	80%	88%	92%	-979%
Debt Service Coverage Ratio	85.28	154.38	171.34	513.81	67.62	165.18	17.53	87.77	92.79	87.06	52.21	18.58	79.90	43.22	(2,325.04)



Consolidated Balance Sheet
For the Period Ended October 31, 2024

Division Balance Sheet
For the Period Ended October 31, 2024

	Wastewater	Water	Recreation & Parks	Fleet & Equipment	Base	General & Administrative	General & Administrative and Base	Total
ASSETS								
Current Assets								
Cash & Cash Equivalents	\$ -	\$ 445,936	\$ 1,887	\$ -	\$ -	\$ 7,474,275	\$ 7,474,275	\$ 7,922,097
Investments	-	-	-	-	-	1,392,772	1,392,772	1,392,772
Due (To)/From Other Fund	2,655,307	628,132	820,509	555,091	433,626	(5,092,665)	(4,659,039)	-
Accounts Receivable	-	51,924	402,183	-	-	3,158,300	3,158,300	3,612,407
Inventory	206,889	-	-	-	-	-	-	206,889
Deposits and Prepaid Expenses	-	-	47,795	-	-	295,223	295,223	343,018
Total Current Assets	\$ 2,862,196	\$ 1,125,992	\$ 1,272,375	\$ 555,091	\$ 433,626	\$ 7,227,905	\$ 7,661,531	\$ 13,477,184
Restricted Assets								
Cash & Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 444,799	\$ 444,799	\$ 444,799
Accounts Receivable	-	706,762	131,676	-	-	6,000	6,000	844,439
Deposits and Prepaid Expenses	-	-	-	-	-	-	-	-
Total Restricted Assets	\$ -	\$ 706,762	\$ 131,676	\$ -	\$ -	\$ 450,799	\$ 450,799	\$ 1,289,238
Non-Current Assets								
Subscription Asset	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 591,637	\$ 591,637	\$ 591,637
Accumulated Amortization	-	-	-	-	-	(249,834)	(249,834)	(249,834)
Net Subscription Asset (New GASB 96)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 341,803	\$ 341,803	\$ 341,803
Property, Plant & Equipment								
Work in Process	\$ 250,553	\$ 2,080,761	\$ 625,609	\$ -	\$ -	\$ 76,685	\$ 76,685	\$ 3,033,607
Land	86,310	772,058	6,265,000	-	-	-	-	7,123,368
Property Rights	7,237	8,000	-	-	-	-	-	15,237
Buildings and Improvements	8,281,806	-	23,155,489	-	-	294,990	294,990	31,732,285
Vehicles and Equipment	5,806,355	285,750	817,577	1,946,005	-	-	-	8,855,688
Furniture and Office Equipment	925,994	35,919	876,376	-	-	174,804	174,804	2,013,093
Water System	-	48,750,810	-	-	-	-	-	48,750,810
Sewer System	43,153,549	-	-	-	-	-	-	43,153,549
Subtotal - Property, Plant & Equipment	58,511,805	51,933,298	31,740,051	1,946,005	-	546,479	546,479	144,677,637
Accumulated Depreciation	(35,235,226)	(22,993,398)	(14,115,432)	(849,865)	-	(96,003)	(96,003)	(73,289,923)
Net Property, Plant & Equipment	\$ 23,276,579	\$ 28,939,899	\$ 17,624,619	\$ 1,096,140	\$ -	\$ 450,476	\$ 450,476	\$ 71,387,714
DEFERRED OUTFLOWS OF RESOURCES	\$ 170,311	\$ 448,246	\$ 347,477	\$ 23,129	\$ -	\$ 1,150,203	\$ 1,150,203	\$ 2,139,366
TOTAL ASSETS & DEFERRED OUTFLOWS	\$ 26,309,087	\$ 31,220,899	\$ 19,376,147	\$ 1,674,360	\$ 433,626	\$ 9,621,186	\$ 10,054,812	\$ 88,635,305



Consolidated Balance Sheet
For the Period Ended October 31, 2024

Division Balance Sheet
For the Period Ended October 31, 2024

	Wastewater	Water	Recreation & Parks	Fleet & Equipment	Base	General & Administrative	General & Administrative and Base	Total
LIABILITIES								
Current Liabilities								
Accounts Payable	\$ 5,978	\$ 144,603	\$ 32,839	\$ 5,101	\$ -	\$ (47,016)	\$ (47,016)	\$ 141,505
Deferred Revenue	-	-	158,438	-	-	-	-	158,438
Compensated Absences Payable	-	-	-	-	-	815,212	815,212	815,212
Accrued Liabilities	-	6,353	2,173	-	-	755,852	755,852	764,378
Current Portion of Long-Term Debt	-	416,452	-	-	-	-	-	416,452
	5,978	567,408	193,450	5,101	0	1,524,048	1,524,048	2,295,985
Current Liabilities (Payable from Restricted Assets)								
Deferred Grant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable	-	-	-	-	-	-	-	-
Total Current Liabilities	\$ 5,978	\$ 567,408	\$ 193,450	\$ 5,101	\$ -	\$ 1,524,048	\$ 1,524,048	\$ 2,295,985
Non-Current Liabilities								
Long-Term Debt, Net of Current Portion	\$ -	\$ 226,874	\$ -	\$ -	\$ -	\$ 168,403	\$ 168,403	\$ 395,277
Net Pension Liability	6,273	115,269	109,669	(2,954)	-	445,857	445,857	674,113
Total Long Term Liabilities	\$ 6,273	\$ 342,143	\$ 109,669	\$ (2,954)	\$ -	\$ 614,260	\$ 614,260	\$ 1,069,390
DEFERRED INFLOWS OF RESOURCES	\$ 20,852	\$ 33,133	\$ 15,877	\$ 5,531	\$ -	\$ 8,446	\$ 8,446	\$ 83,840
NET POSITION								
Net Investment in Capital Assets (Net of Debt)	\$ 23,276,579	\$ 28,296,573	\$ 17,624,619	\$ 1,096,140	\$ -	\$ 282,073	\$ 282,073	\$ 70,575,985
Debt Services	-	445,936	-	-	-	-	-	445,936
Net Restricted Assets	-	706,762	131,676	-	-	450,799	450,799	1,289,238
Unrestricted	3,316,028	(734,418)	1,005,527	479,900	433,626	6,357,716	6,791,342	10,858,379
Current Year Income / (Loss)	(316,623)	1,563,362	295,329	90,641	-	383,844	383,844	2,016,552
Balance	\$ 26,275,984	\$ 30,278,215	\$ 19,057,151	\$ 1,666,682	\$ 433,626	\$ 7,474,431	\$ 7,908,057	\$ 85,186,089
TOTAL LIABILITIES, DEFERRED INFLOWS & FUND BALANCE	\$ 26,309,087	\$ 31,220,899	\$ 19,376,147	\$ 1,674,360	\$ 433,626	\$ 9,621,186	\$ 10,054,812	\$ 88,635,305



Consolidated Balance Sheet
For the Period Ended October 31, 2024

Division Balance Sheet
For the Period Ended October 31, 2024

	Wastewater	Water	Recreation & Parks	Fleet & Equipment	Base	General & Administrative	General & Administrative and Base	Total
Reserves								
Unrestricted Reserves	\$ 2,856,219	\$ 558,583	\$ 1,078,925	\$ 549,990	\$ 433,626	\$ 5,703,856	\$ 6,137,483	\$ 11,181,199
Minimum Reserve Level Policy	(851,845)	(770,513)	(648,584)	63,216			(1,268,348)	(3,476,074)
Available for Investment	\$ 2,004,373	\$ (211,930)	\$ 430,340	\$ 613,206	\$ 433,626	\$ 5,703,856	\$ 4,869,135	\$ 7,705,125
Additional FY 2025 EBIDA	(118,123)	2,576,560	827,632	237,829	-	608,304	608,304	4,132,201
Total Available	\$ 1,886,250	\$ 2,364,630	\$ 1,257,972	\$ 851,035	\$ 433,626	\$ 6,312,160	\$ 5,477,439	\$ 11,837,326
Total Remaining FY 2025 Capital Budgeted	(764,709)	(1,751,515)	(1,192,256)	(567,492)			(492,726)	(4,768,698)
Debt Service		(446,000)						\$ (446,000)
Unbudgeted	\$ 1,121,541	\$ 167,114	\$ 65,716	\$ 283,544	\$ 433,626	\$ 6,312,160	\$ 4,984,712	\$ 6,622,628



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: I-3b

FROM: Finance Department

SUBJECT: Treasurer's Report – as of October 31, 2024

FISCAL ANALYSIS:

The CFO has reviewed the District's investment portfolio and has included its value within the attached Treasurer's Report.

The District's investments are governed by the Board of Directors' approved Investment Policy. While continuing to operate within this Investment Policy, the District has continued to emphasize safety.

Total bank value of cash and investments equaled \$9,992,097 as of October 31, 2024. Of the total, \$1,514,727 of the District's portfolio was restricted. The total of Cash and Investments decreased \$1,825,979 during October.

The portfolio meets the guidelines of the Investment policy.

ATTACHMENTS: Treasurer's Report as of October 31, 2024

REVIEW TRACKING:

Submitted by:

Lori Pommerenck
Lori Pommerenck
Interim Chief Financial Officer

Approved by:

Bradley A. Johnson, P.E.
Bradley A. Johnson, P.E.
General Manager/CEO

P RESENTED BY: Lori Pommerenck, Interim CFO

Cash and Investments				
<i>Statement Date</i>	<i>Institution/Account Number</i>	<i>Market Value</i>	<i>Description</i>	
BMO				
10/31/24	xxxxx1186	\$0	General Checking - Closed 10/23/24	
	xxxxx0874	0	Utility Billing Deposit Account - Closed 10/23/24	
	xxxxx4157	-	Parks Dept. Sweep Account - Closed 06/30/24	
		<u>0</u>	Total Bank of the BMO	
Wells Fargo				
10/31/24	xxxxxx7997	1,088,230	General Checking	
	xxxxxx8011	-	Payroll	
	xxxxxx8003	-	Utility Billing Deposit Account	
	xxxxxx8029	-	Event Center Deposit Account	
		<u>1,088,230</u>	Total Wells Fargo	
Local Agency Investment Fund				
10/31/24	xx-xx-003	437,308	General Investment Account	
California CLASS				
10/31/24	xx-xx-0179	4,075,557	General Investment Account	
UBS Financial Services Inc.				
10/31/24	xxxxx29 70	9,842	Cash & Cash Alternatives Balance	
	"	1,195,259	Money Market Instruments	
	"	1,389,963	Certificates of Deposit	
	"	22,543	Mutual Funds	
	"	239,765	U.S. Government Securities	
	"	18,904	Accrued Interest	
		<u>2,876,275</u>	Total UBS Financial Services Inc.	
Total Unrestricted Cash and Investments:		\$8,477,370		

Restricted				
<i>Statement Date</i>	<i>Institution/Account Number</i>	<i>Market Value</i>	<i>Description</i>	
Wells Fargo				
10/31/24	xxxxxx8037	\$32,887	FSA	
10/31/24	xxxxxx8045	527,035	HRA	
10/31/24	xxxxx1157	445,936	NTBC - BofA Install.Payment Fund	
09/30/24	CalPERS 115 Trust	473,179	CalPERS Prefunding of Pension Expense	
09/30/24	Tahoe Truckee Community Foundation	35,689	Friends of the Park	
Total Restricted Cash and Investments:		\$1,514,727		

Total Cash and Investments:				
Total Cash and Investments:		\$9,992,097		



NORTH TAHOE PUBLIC UTILITY DISTRICT

DATE: December 10, 2024

ITEM: I-4

FROM: Recreation, Parks, and Facilities Manager

SUBJECT: Recreation, Parks, and Facilities Department Report

Parks

- In response to public input and demand, NTPUD kept the tennis and pickleball courts open past the initial planned closure date of November 3. The public is very supportive of this new amenity and eager to keep playing as long as the weather makes it possible to remain outside. The courts were kept open two additional weeks but closed with the snowy and cold weather that arrived mid-November.
- Continued focus on the Community Garden included site work around the Aspen ADA trail and to the east of the existing garden. This work happened in November and enabled a future garden expansion project.

Recreation

- After the closing weekend of the tennis and pickleball outdoor courts, the indoor courts opened at the Boys and Girls Club NLT for Saturday and Sunday organized play. The first two weeks of play had an average of 30 participants per day. These numbers are very high, and the staff is pleased with the turnout.
- Art programs at NTEC for the winter months, including workshops from Chickadee Art studio and Garden Workshops have begun. Enrollment has been hit-and-miss, with two of Chickadee's classes canceling for low enrollment and two running. Garden workshops continue to be successful.

North Tahoe Event Center

- Fall continued the busy trend at the North Tahoe Event Center (NTEC). Of particular interest was the massive attendance for the Placer County meeting on November 19 regarding development within Olympic Valley. The NTEC was able to accommodate the large overflow crowd in the lobby of the NTEC, with yet again, every room booked on this day. The livestream of the meeting was broadcasted in the lobby with about 40 additional people watching.
- The entire Parks and Facilities Team worked together for the installation of the art wall at NTEC. This beautiful, signature piece was the work of every Park and Facility employee and the vision of Manager McDougal. It will be a marquee area within the Center and on the North Shore for pictures and enjoyment.

- Community Thanksgiving, held annually on Thanksgiving Day, preparations are well on their way as of the writing of this report. Volunteers and staff are expecting another several hundred people to attend this free community event.
- Event Center Manager Christina McDougal and Manager Oberacker traveled to Las Vegas for the annual Wedding MBA Convention. This convention is the marquee annual event for wedding professionals across the country and staff was able to learn from the best and come home with ideas to continue to inspire facility growth.

Administration

- 2025 Park rentals have begun. Staff is working to respond to requests for weddings at TVRA in a manner that makes their impact manageable.
- In the November election, California electorates voted against the passing of Proposition 5. This proposition, which would have lowered the threshold for passing general obligation bonds to 55%, was a key step in the NTPUD and TCPUD's strategy for funding and building a Recreation and Aquatic Center. The ad-hoc groups from the Districts will meet on December 6 to determine the next steps.
- Manager Oberacker has met the new Parks Administrator for Placer County. Erika Seward has replaced Andy Fisher, the long time Administrator, after his retirement in late November. The Parks Administrator and Parks, Recreation, and Facilities Manager work together on several projects and parks throughout the NTPUD District.

REVIEW TRACKING:

Submitted By: 

Amanda Oberacker
Recreation, Parks, & Facilities Manager

Approved By: 

Bradley A. Johnson, P.E.
General Manager/CEO



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024 **ITEM:** I-5
FROM: Planning and Engineering Department
SUBJECT: Planning and Engineering Department Status Report
DISCUSSION: Capital Improvement Projects, Internal Operations & Planning, and Outside Agency/Private Development

CAPITAL IMPROVEMENT PROJECTS

The Engineering Division is managing the following CIP projects.

Construction Phase Projects

Brockway Fire Protection Water Infrastructure 2024 Project: This project includes 1,937 feet of new watermain in SR 28 between Park Ave and the Nevada State Line, 431 feet of new water main in the undeveloped Placer County Pier Street right-of-way, a 50 foot crossing of SR 28 in the Lake Forest area near Lardin Ave., 21 residential water services, and four new fire hydrants.

Status: NTPUD Engineering Staff prepared construction drawings for the watermain improvement project. The Board of Directors awarded a construction contract to Vinciguerra Construction at the April 9, 2024 meeting. The new watermain in Pier Street and North Lake Blvd is complete and in service including four new fire hydrants and 15 customer services. Six new customer services have been installed for future relocations by those customers. Due to scheduling conflicts with Caltrans and the Teichert Broadband project on SR 28, the watermain crossing in the Lake Forest area has been delayed. Construction of that project element is anticipated in the Spring of 2025. Staff expects to agendize a Notice of Substantial Completion for Board Consideration in January.

Vinciguerra Construction, Inc. – Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed	Current Balance to Completion (including retention)
\$2,134,850	\$0	\$2,134,850	\$1,811,080.00	\$323,770.00
Estimated Construction Status as of 11/30: 90% complete				

NTEC Emergency Generator (Project #2192): A 2022-2023 Capital Improvement Project to add an emergency generator at the North Tahoe Event Center. The project is grant-funded in part by FEMA and Placer County.

Status: PR Design and Engineering completed the design and bid documents. The bid results were higher than anticipated and District staff has formally requested additional funding from CalOES and Placer County. The Board of Directors awarded a construction contract to GLA-Morris at the July 9, 2024 meeting. Interior structural reinforcements are scheduled to be completed in December. The electrical transfer switch and generator installation will follow in 2025.

GLA Morris Construction, Inc. – Construction Contract Status:

Original Contract Amount	Change Orders	Current Total Contract Amount	Total Payments for Work Completed	Current Balance to Completion (including retention)
\$335,606.93	\$0	\$335,606.93	\$0	\$335,606.93
Estimated Construction Status as of 11/30: 0% complete				

Uniform Public Construction Cost Accounting Act

The District elected to participate in the Act to utilize alternative bidding procedures for public works projects. This section reports on contracts awarded for projects between \$15,000 and \$60,000 that are now issued under the General Manager's authority.

ACTIVE PROJECTS			
Project	Contractor	Contract Amount	Award Date
NO ACTIVE PROJECTS			
COMPLETED PROJECTS			
Summer 2024 Pavement Maintenance	Elements Mountain Company Inc.	\$33,575.90	August 8, 2024
A 2023-24 capital improvement to prolong the life of the existing asphalt at various NTPUD sites. Specifically, this project will crack fill and seal the existing asphalt at NTPUD's four (4) main sewer pump stations, TVRB, N-1, Park Trail, Zone 1 Tank, and NTEC. This project is complete			
5074 North Lake Blvd. Landscape Remediation	Ruppert, Inc	\$35,216.54	July 30, 2024
A landscape remediation project at 5074 North Lake Blvd. to restore the site to its previous condition following the 7/18/24 sewer spill. Proposals were solicited from			

<p>three contractors; Ruppert Inc. was determined to be the lowest responsible bidder. Remediation work included sod installation drain cleaning, mulch replacement, and decomposed granite pathway reconstruction. This project is complete.</p>			
Spring 2024 Lower Lateral Lining	Greenberg Clark, Inc. dba The Trenchless Co.	\$54,900	May 15, 2024
<p>A 2023-2024 Capital Improvement Project (Lower Lateral Replacement, Project #2440) to rehabilitate sanitary sewer laterals from customers' property line cleanout to the sewer main. This project includes lining nine (9) sewer services to extend their useful life. The lining process is a trenchless technology that is significantly less expensive than excavating the sewer laterals to complete the required repairs. This project is complete.</p>			
Pave Access to Satellite Pump Station D-6	Lakeside Paving	\$16,850	May 4, 2024
<p>A capital improvement project to widen the access path to Satellite Pump Station D-6 to 10-ft. The previous paved access was only paved for pedestrians, limiting vehicle access when the snow was on the ground, or the soil was saturated. The new access path will allow year-round access. This project is complete.</p>			
Carnelian Woods Booster Pump #2	PumpTech Inc.	\$25,740	February 9, 2024
<p>A 2023-24 capital improvement project to remove and replace the existing Carnelian Woods water booster pump. The existing pump is original to the construction of 1971 and has reached the end of its service life. Pump has been received.</p>			
Zone 1 Booster Pump Replace/Rehab	Nevada Seal & Pump, LLC	\$57,860	January 4, 2024
<p>A 2023-24 capital improvement project to remove and replace the two (2) existing Zone 1 water Booster Pumps. The existing pumps were original to the construction of Zone 1 Tank and have reached the end of their service life. Two new pumps have been installed. This project is complete.</p>			
NTRP Restroom Epoxy Floor Coating	Evolution Industries	\$20,845.72	January 10, 2024
<p>A 2023-24 capital improvement project to coat the North Tahoe Regional Park restroom floors with an industrial epoxy flooring system. Historically, the Recreation and Park staff has painted the restroom floors with an off-the-shelf epoxy paint. This paint only lasts one year before it needs to be reapplied. To eliminate the need for this annual maintenance, the restroom floors will be coated with Dur-A-Flex Polycrete SLB a self-leveling, concrete resurfacing system with a slip-resistant, gloss finish expected to last 20+ years.</p>			
Chain-link Fence and Gate Replacements	Florence Fence, Inc.	\$41,684	January 10, 2024

A 2023-24 capital improvement project to improve safety and security at various NTPUD sites. Specifically, this project will add a missing fence panel between the Annex Building and the fueling bay, add a fence panel with a gate between the NTEC and the adjacent condominiums, and replace the existing failing fence around the detention pond in front of the Administration building. This project is complete.			
Tennis Gazebo Roof Replacement	Kodiak Union Roofing Services Inc.	\$19,970	November 6, 2023
The 2022-23 winter's heavy snowfalls damaged the existing gazebo roof. The snow partially slid and was caught by the gutter bending three sides. The replacement roof system has been designed to freely shed the snow to ensure this problem does not repeat itself. This project is complete.			
Pickleball Shade Sail	Leo's Awnings and Interiors LLC.	\$16,500	November 29, 2023
The 2022-2023 Regional Park Tennis/Pickleball Court Reconstruction Project included shade sail posts within the pickleball courts for NTPUD to provide shade sails. The posts have been installed, and this project was to furnish and install the shade sails. The sails will be fabricated over the winter and installed in early spring 2024. This project is complete.			

Design / Bid Preparation Phase Projects

Trout Fire Protection Water Infrastructure (Project #2465): A FY24/25 Capital Improvement project to design a new 8-inch water main in Trout Ave. right-of-way. This project includes approximately 2,700 feet of new water main, 90 residential water services relocated to the front of the property, and 6 new fire hydrants.

Status: Auerbach Engineering has completed the topographic survey of the project area. Dr. Susan Lindstrom has completed the archeological study. Ascent Environmental, Inc. has completed the biological assessment. NTPUD Engineering Staff is completing construction drawings for the watermain replacement in Trout Avenue. The project will be out to bid in December 2024.

Model 16 Satellite Sewage Pump Station 75% Design (Project #2446): A 2023-2024 Capital Improvement Design Project to prepare 75% design plans for the eight (8) Smith and Loveless Model 16 satellite sewer pump stations. These remaining stations are the last of the District's sewer pump stations to be rehabilitated since their installation.

Status: The Board of Directors awarded a design contract to DOWL, LLC at the May 14, 2024 meeting. NTPUD staff has reviewed the 35% design–construction drawings and returned comments to DOWL.

Sewage Export System Inspection/Analysis Predesign (Project #2445): A FY24/25 Capital Improvement project to analyze NTPUD's Sewage Export System (SES). The SES consists of a chain of four pumping stations, force mains, and gravity sewers that

carry NTPUD flows to the JSF (Joint Sewage Facility). This project will analyze the SES and provide recommendations to extend the life of this critical asset.

Status: The Board of Directors awarded a design contract to HDR at the August 13, 2024 meeting. HDR is reviewing background material and evaluating the existing export system.

National Ave Water Treatment Plant Equipment End-of-Life Replacement (Project #2464): A FY24/25 Capital Improvement project to analyze the process train and equipment at the National Ave Water Treatment Plant (NAWTP). The NAWTP, in its current configuration, was constructed and placed into service in November 2002. This project will analyze the NAWTP and provide recommendations to modernize and extend the life of this critical asset.

Status: The Board of Directors awarded a design contract to Jacobs at the June 11, 2024 meeting. Jacobs' Engineers are working with District Staff to collect water quality and operational data on the existing process to be used for their review and recommendations.

NTEC – Bathroom Remodel (Design) (Project #2591): A 2024-2025 Capital Improvement Project to remodel both sets of bathrooms at the North Tahoe Event Center. The 5-year capital plan includes a budget for design but not construction.

Status: NTPUD retained Goring and Straja Architects (GaS) to complete the NTEC – Bathroom Remodel Project. NTPUD and GaS have participated in the kick-off meeting and are working to schedule a site visit in early January.

Regional Park Parking Management (Project #2581): A 2024-2025 Capital Improvement Project to retain a consultant to complete an operational needs assessment, ordinance review and preparation, and parking technology road map to manage parking with the North Tahoe Regional Park.

Status: NTPUD retained Dixon Resources Unlimited to complete the Regional Park Parking Management Project. Dixon Resources Unlimited has completed a site tour and reviewed background information. NTPUD has received the Draft Operational Needs Assessment Memorandum and returned comments.

Pickleball Plaza Improvements (Project #2486): A 2024-2025 Capital Improvement Project to improve the entry plaza at the pickleball courts in the North Tahoe Regional Park.

Status: NTPUD Engineering has completed 50% design drawings. NTPUD Staff are utilizing the drawings to apply for grants to help fund the construction in Summer 2025.

NTEC Architectural Planning Study (Project #2049): A 2022-2023 Capital Improvement Project to retain an architectural consultant to complete a planning study for the North Tahoe Event Center.

Status: The draft NTEC Architectural Planning Study was presented to the Recreation and Parks Commission at their October 26th Meeting and the Board of Directors at the November 14, 2023 Board Meeting. NTPUD staff has reached out to Goring and Straja Architects (GaS) to revise the study based on the Commissioners' and Directors' feedback.

Wayfinding and Destination Signage Project (NTEC Sign) (Project #2040): A Capital Improvement Project to add a changeable message monument sign at the North Tahoe Event Center. The project is grant-funded in part by Placer County.

Status: PR Design and Engineering has completed a preliminary sign design and site layout. On January 24th, the project was presented to the Placer County Design Review Committee as an informal item and received generally positive feedback. Following the presentation to the Design Review Committee, Placer County and TRPA have determined a changeable message board sign will require a code amendment. As the code amendment will take significant time and effort to complete NTPUD staff and PR Design and Engineering have decided to pivot and instead focus on improving the existing building signage. PR Design has prepared preliminary drawings of the proposed building signage.

Secline Property Improvement Project (Project #2580): A 3-year Capital Improvement Project to develop a vision and preliminary design of public recreation access, environmental improvements, and facility enhancements for the Secline Beach public parcels in Kings Beach, CA.

Status: NTPUD has received a grant from North Tahoe Community Alliance (NTCA) TBID Funds Grant agreement in the amount of \$240,000 for the Secline Beach Enhancement – Planning and Design Project. The Board of Directors awarded a design contract to Design Workshop at the May 14, 2024 meeting. NTPUD, CTC and Placer County are executing a community engagement plan to learn more about what Secline Beach means to the community. We held an open house at the NTEC and shared information at the Harvest Festival at the Boys & Girls Club. The online survey will remain open through early December.

North Tahoe Regional Park Multi-Purpose Trail Connection (Project #2484): A FY23/24 Capital Improvement Project to design the extension of the Pam Emmerich Memorial Pinedrop trail to the lower restroom. The proposed trail will improve pedestrian/bicycle mobility through the Regional Park and reduce the safety hazards associated with trail users having to navigate through the parking lot.

Status: NTPUD's Board of Directors accepted a grant from Placer County and authorized the final design contract at the February 13, 2024, Board Meeting. Additionally, the District

received notice that our \$1,029,055 grant request to the California State Parks Habitat Conservation Program to partially fund construction was approved. NTPUD Staff has submitted a separate grant application to NTCA for additional construction funds. NTPUD has received and returned comments on the 50% design drawings. This project is scheduled to be bid in spring 2025

Master Plan: Corporation Yard Layout (Project #2151): A FY24/25 Capital Improvement Project to develop a Corporation Yard Master Plan. The existing corporation yard, built over several decades, was not planned for the current needs of staff, operations, services, and regulatory environment. As such, operational inefficiencies and potential safety hazards exist within the corporation yard. The goal of the Corporation Yard Master Plan (CYMP) is to strategically plan future facility improvements to be completed over several years

Status: The Board of Directors awarded a design contract to W-Y Architects at the May 14, 2024 meeting. NTPUD Staff has held a project kick-off meeting and toured corporation yards at four (4) neighboring public special districts. W-Y Architects is collecting background information and conducting the initial needs assessment.

OPERATIONAL ACTIVITIES

Psomas, the District's water modeler, has completed the draft water models of the Agate and Fulton Water Companies and staff has reviewed the report. North Lake Fire has conducted hydrant flow testing and the results have been sent to Psomas for incorporation and validation of the model output. Psomas is now fine tuning the model based on the field results and investigating the District water interties with these water systems.

The District has been performing quarterly PFA sampling at the Park Well and National Avenue Water Treatment Plant for the Unregulated Contaminant Monitoring Rule 5 in accordance with the EPA's Final PFAS National Primary Drinking Water Regulation. The January, April and July sample results from NAWTP and Park Well are below the minimum reporting levels for Lithium and the 29 PFAs included in Unregulated Contaminant Monitoring Rule 5. The District has also collected samples from the Carnelian Well and Park Well in July and sent to a private laboratory. Both samples were non-detect for PFOS and PFAS. The District will be taking additional samples over the next 12 months to complete the monitoring requirement by 2027 and to determine the next steps required for compliance with the regulation. A future Board report will summarize the results.

FUNDING OPPORTUNITIES

Bureau of Reclamation 2024 WaterSMART Grant (#R24AS00052): Staff has submitted a grant application to upgrade our existing 3,000 water meters with new, ultrasonic flowmeters utilizing cellular endpoints for data communication. The grant is for the purchase of the new meters and requires a 50% District match. The installation

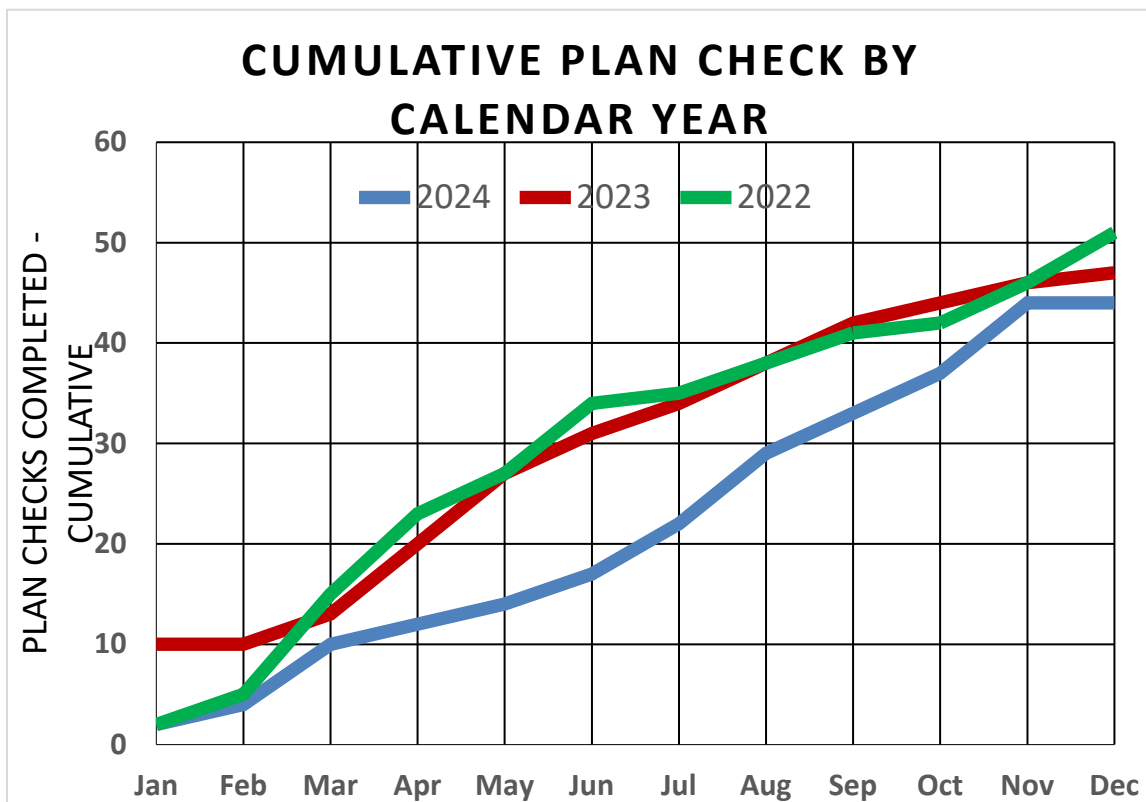
would be performed by a Contractor through the public bid process. The District received notice of award of a \$500,000 WaterSMART Grant from the Bureau of Reclamation on August 5, 2024.

2024 EPA Community Grants Program (#66.202): Staff has submitted the necessary Trout Avenue Watermain Project grant application to the EPA Community Grants Sustainable Water Infrastructure Program that is funded through the 2024 Federal Appropriations Act. The Trout Avenue Water Improvement project will install approximately 2,700 linear feet of 8-inch watermains, improve system looping, and add 6 new fire hydrants along Trout Avenue to comply with the California Fire Code. The approved appropriation amount is \$1,250,000 and requires a 20% District match.

FY 2025 OCED Energy Improvements in Rural or Remote Areas (#DE-FOA-0003428): This is a grant from the US Department of Energy – Office of Clean Energy Demonstrations as part of the Bipartisan Infrastructure Law. Staff is reviewing the Notice of Funding Opportunity (NOFO) to determine if our proposed project for battery backups at our sewer satellite pump stations would qualify under this grant, and what the level of effort would be to apply for the grant if the project qualifies.

Plan Reviews

- The chart below is the 3-year cumulative completed plan checks by month.

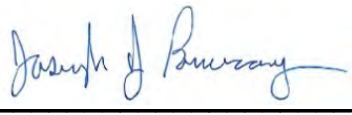


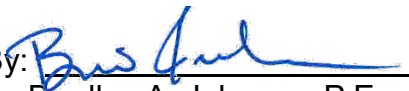
Water Service Lateral Relocations

- See below tracking table of private service lateral status on Steelhead, Golden, and Rainbow. Outreach, through numerous methods, remains active.

PROJECT (WITH SIDE OF STREET)	DEADLINE TO CONNECT	TOTAL AFFECTED PARCELS	TOTAL CONNECTED
Steelhead (South Side)	9/1/2025	34	12
Golden (North and South Sides)	9/1/2025	84	40
Rainbow (North Side)	9/1/2025	49	23
Project Total	9/1/2025	167	75
Rainbow (South Side)	TBD	35	5
Salmon (North Side from Fox to Chipmunk)	TBD	13	9

REVIEW TRACKING:

Submitted By: 
 Joseph J. Pomroy, P.E.
 Engineering and Operations Manager

Approved By: 
 Bradley A. Johnson, P.E.
 General Manager/CEO



NORTH TAHOE PUBLIC UTILITY DISTRICT

DATE: December 10, 2024 **ITEM:** I-6
FROM: Operations Department
SUBJECT: Operations Department Status Report
DISCUSSION: Department Highlights for the month of November 2024

Maintenance Division

Holiday lines, wet well, and monthly manhole cleaning have all been completed. Our CCTV/Flushing crew has gone back to inspecting sewer service laterals and root cutting as necessary. Hydrant inspections and valve exercising are on-going. We repaired a leak on Commonwealth Drive, one in the sidewalk in Kings Beach on North Lake Boulevard (afterhours), and one on the 6" main in Chipmunk Street, additionally three water service line leaks were repaired in November. Our construction crew has begun the task of replacing old stop and drain valves at Kingswood Condos and, at the same time, upgrading 15 existing meters to cellular meters. Our service crew is installing 53 cellular reading devices to meters in the Kings Beach grid. Trench inspections and USA locates have all but ceased, which is normal for this time of year; however we did nine sewer pressure tests per Ordinance 100 (5 for escrow).

Technician Division

Daily, weekly, and monthly PMs were completed. Technicians completed semi-annual preventative maintenance at all satellite stations and annual maintenance of pump check valves at Dollar Main Station. Several miscellaneous tasks were completed such as setting up/breaking down traffic control for TTSA while they calibrated the sewer force main at Dollar Hill, assisting with the inspection and repair of fire systems at Carnelian and National Main stations, wet well cleaning, and confined space entry training with NTFPD, to name just a few.

Fleet Division

In the Fleet Division in November, 16 work orders were completed, seven of those were preventative maintenance to fleet vehicles, the others were for fabrication/welding, miscellaneous repair, monthly safety inspection and tire service. Our focus was on installing snow tires on all fleet vehicles and Boys & Girls Club vans. Our Fleet manager and two others from the Maintenance Division completed this bi-annual task in just over 160 hours. The big VacCon experienced a loss of engine power and had to be taken to Peterbilt in Sparks, NV, to troubleshoot the cause of the problem. Tahoe City PUD offered to standby with a Vacuum truck in the event of an emergency.


Departmentwide in November


Safety training in November included OSHA required classes in Safety Data Sheets, Emergency Response Guidebook and Emergency Response Plan. Additionally, Operations staff assisted with North Tahoe Fire Protection District confined space entry training. Lead Water Quality Technician, Michael Harper, celebrated his eighth year with the NTPUD. Management personnel have been conducting interviews for open positions within the Department. We have seen interest from both inside and outside the District and expect to present a breakdown of the personnel changes in the January report.

REVIEW TRACKING:

Submitted By: CColburn
Catherine Colburn
Operations Coordinator

Reviewed By: 
Kenneth P. Fischer
Operations Manager

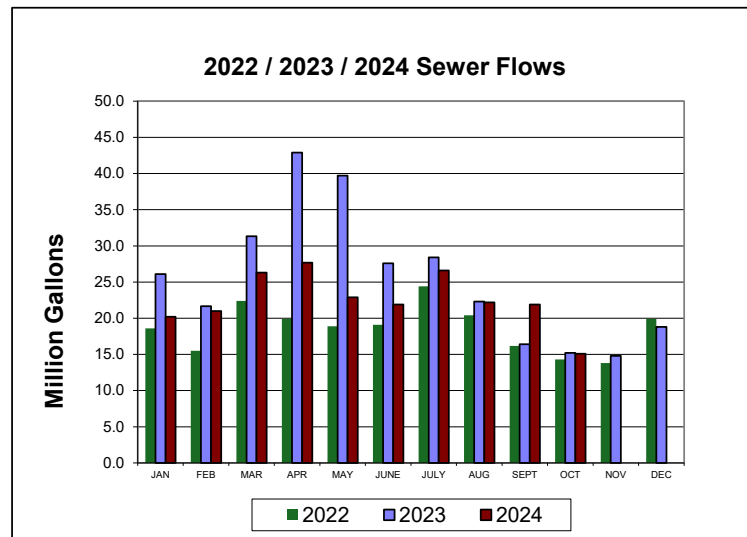
Approved By : 
Joseph J. Pomroy, P.E.
Engineering and Operations Manager

Approved By: 
Bradley A. Johnson, P.E.
General Manager/CEO

Sewer

Monthly

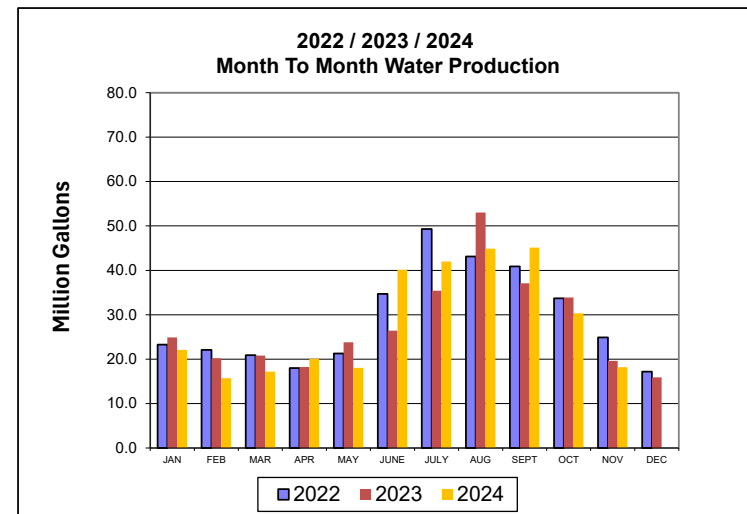
	2022	2023	2024
JAN	18.6	26.1	20.2
FEB	15.5	21.6	21.0
MAR	22.4	31.3	26.3
APR	19.9	42.9	27.7
MAY	18.9	39.7	22.9
JUNE	19.1	27.6	21.9
JULY	24.4	28.4	26.6
AUG	20.4	22.3	22.2
SEPT	16.2	16.4	21.9
OCT	14.3	15.2	15.1
NOV	13.8	14.8	
DEC	19.9	18.8	
Average	18.6	25.4	22.6
Total	223.4	305.2	225.8



Water

Monthly

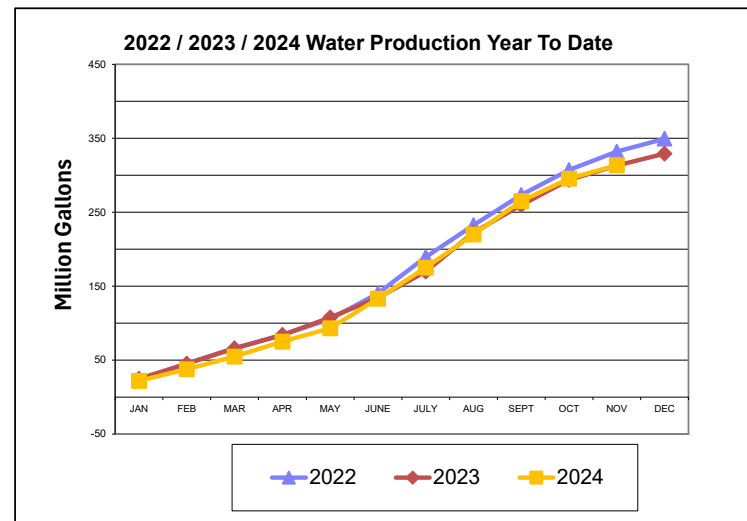
	2022	2023	2024
JAN	23.3	24.9	22.1
FEB	22.1	20.2	15.7
MAR	20.9	20.8	17.2
APR	18.0	18.2	20.1
MAY	21.3	23.8	18.1
JUNE	34.7	26.4	40.1
JULY	49.3	35.4	42.0
AUG	43.1	53.0	44.9
SEPT	40.9	37.1	45.1
OCT	33.7	33.9	30.3
NOV	24.9	19.6	18.2
DEC	17.2	15.9	



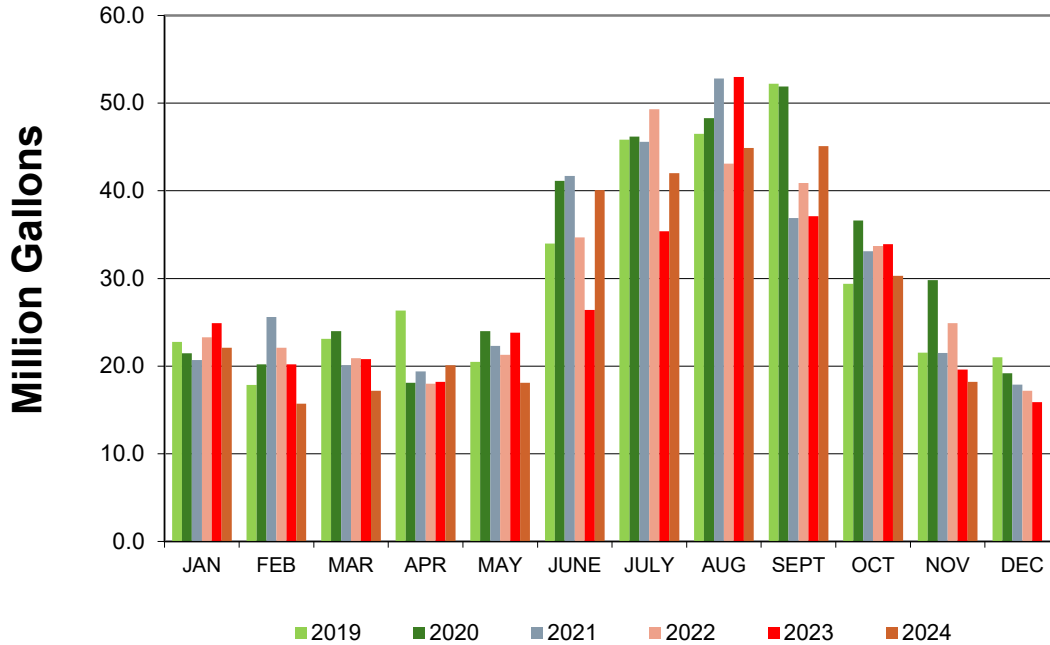
Water

Cumulative

	2022	2023	2024
JAN	23.3	24.9	22.1
FEB	45.4	45.1	37.8
MAR	66.3	65.9	55.0
APR	84.3	84.1	75.1
MAY	105.6	107.9	93.2
JUNE	140.3	134.3	133.3
JULY	189.6	169.7	175.3
AUG	232.7	222.7	220.2
SEPT	273.6	259.8	265.3
OCT	307.3	293.7	295.6
NOV	332.2	313.3	313.8
DEC	349.4	329.2	



Total Water Production 2019 - 2024



District Water Production

YEAR	2019	2020	2021	2022	2023	2024	2019-24 5-yr Avg	2024 vs 5 yr Avg
JAN	22.8	21.5	20.7	23.3	24.9	22.1	22.5	98%
FEB	17.8	20.2	25.6	22.1	20.2	15.7	20.3	77%
MAR	23.1	24.0	20.1	20.9	20.8	17.2	21.0	82%
APR	26.4	18.1	19.4	18.0	18.2	20.1	20.0	100%
MAY	20.5	24.0	22.3	21.3	23.8	18.1	21.7	84%
JUNE	34.0	41.2	41.7	34.7	26.4	40.1	36.3	110%
JULY	45.8	46.2	45.6	49.3	35.4	42.0	44.1	95%
AUG	46.5	48.3	52.8	43.1	53.0	44.9	48.1	93%
SEPT	52.2	51.9	36.9	40.9	37.1	45.1	44.0	102%
OCT	29.4	36.6	33.1	33.7	33.9	30.3	32.8	92%
NOV	21.6	29.8	21.5	24.9	19.6	18.2	22.6	81%
DEC	21.0	19.2	17.9	17.2	15.9		18.2	0%
Total	361	381	358	349	329	314	356	88%

MONTH: November 2024

Compiled By:

Michael Harper

Water Production:	Gallonge	Pump run	COMMENTS
National Ave. Treatment Plant	15,071,000		
Park Well	1,229,175	22.2 hrs	922.8 AVG GPM
Carnelian Well	932,948	79.2 hrs	196.3 AVG GPM
Dollar Inter-Tie	900,000		
Total Production	18,133,123		



**NORTH TAHOE
PUBLIC UTILITY DISTRICT**

DATE: December 10, 2024

ITEM: I-7

FROM: Office of the General Counsel

SUBJECT: Legal Report

Below is a summary of noteworthy legal items for this month:

1. AB 2192 - Increasing Bid Thresholds Through California Uniform Public Construction Cost Accounting Act (Act)

Existing law under the Act provides public agencies with an alternative bidding process on capital projects to those provided in their enabling legislation, which are usually outdated and results in a time consuming and inefficient design and formal bid process. Public agencies that have opted into the Act have more leeway in project execution; can speed up the award process; can expedite project delivery; streamline project bidding; and simplify project administration.

AB 2192, which takes effect on January 1, 2025, increases the bidding thresholds for public agencies that have opted into Act on “Public Projects” as follows:

- Authorizes public projects of \$75,000 or less to be performed by the employees of a public agency by force account, by negotiated contract, or by purchase order.
- Authorizes public projects of \$220,000 or less to be let to contract by informal procedures, and requires public projects of more than \$220,000 to be let to contract by formal bidding procedures.
- Permits the governing body of a public agency, in the event all bids received for the performance of that public project are in excess of \$220,000, to award the contract at \$235,000 or less to the lowest responsible bidder if it determines the cost estimate of the public agency was reasonable.

AB 2192 also expands the scope of review by the California Uniform Construction Cost Accounting Commission (Commission) for various administrative and compliance activities under the Act as follows:

- Commission must review the accounting procedures of any participating public agency where an interested party presents evidence that the work undertaken by the public agency has been split or separated into smaller work orders or projects.
- Commission must review noncompliance with bidding procedures for the publication or posting and electronic transmission of notice inviting formal bids.

2. Split D.C. Circuit Panel Holds that CEQ Lacks Authority to Issue NEPA Regulations

On November 12, 2024, the D.C. Circuit Court of Appeals issued a ruling in *Marin Audubon Society v. Federal Aviation Administration* holding that the White House Council on Environmental Quality (CEQ) lacks the authority to issue binding regulations implementing the National Environmental Policy Act (NEPA). If this ruling stands, it could throw decades of environmental policy into question and provide an opportunity for the incoming Trump Administration to overhaul NEPA implementation.

Generally, NEPA requires federal agencies to conduct a detailed assessment of the environmental impacts of all “major” federal actions that could significantly affect the environment. CEQ was established within the Executive Office of the President as a part of NEPA and was directed by an executive order to issue implementing regulations for NEPA. CEQ issued the first set of NEPA regulations in 1978.

Marin Audubon Society v. Federal Aviation Administration involved a challenge to an Air Management Tour Plan (the Plan) issued by the Federal Aviation Administration (FAA) and National Park Service (NPS). The Plan governed flight tours over four national parks near San Francisco. Several groups argued that the agencies failed to properly comply with CEQ’s NEPA regulations because they did not conduct an environmental assessment or environmental impact statement before issuing the Plan. The Agencies decided that an environmental assessment or environmental impact statement was unnecessary because they believed the Plan would ultimately benefit the environment compared to current conditions under an interim operating authority. The court unanimously held that it was arbitrary and capricious to use existing conditions under the interim operating authority as the baseline for assessing the environmental impacts of the Plan.

Although CEQ’s authority was not challenged by either party, a majority of the court held that CEQ has no lawful authority to promulgate binding NEPA regulations. Writing for the majority, Senior Judge Randolph explained that “no statutory language states or suggests that Congress empowered CEQ to issue rules binding on other agencies – that is, to act as a regulatory agency rather than as an advisory agency.” Moreover, the split panel held that the CEQ NEPA regulations are “ultra vires,” or beyond the legal authority of CEQ.

Because it held that the agencies’ environmental baseline was arbitrary and capricious and that they relied on regulations that CEQ had no authority to issue, the majority concluded that the agencies would have to “take a completely different tack to complete

their NEPA review.” The majority vacated the Plan despite the fact that no party requested that remedy.

The court’s decision does not explicitly vacate any CEQ actions, but it does establish a precedent that CEQ rules may not be legally enforceable.

The Biden Administration can push for the full D.C. Circuit Court to take a fresh look at the case, known as an en banc review, or seek review by the U.S. Supreme Court. If the Biden Administration decides to move forward with an appeal, it will have to hand off the case to the Trump Administration soon thereafter. It is possible that the Trump Administration would choose not to defend CEQ’s regulatory authority.

3. Federal Guidelines for the Responsible Acquisition of AI – What Local Governments Should Know

The Office of Management and Budget (OMB) recently issued a memorandum outlining new requirements for the responsible procurement of AI capabilities by federal agencies.

These guidelines can serve as a guidepost for local governments and agencies on how to structure their policies, procurement practices, and other operations when they acquire and integrate AI into their day-to-day operations, such as:


Strategies for Mitigating AI Risks in Local Agency Operations


Key practices from OMB’s memo include:

- **Establish Whether AI Will be Acquired:** Clear communication is needed to inform potential vendors about AI rules and needs, and from vendors as they notify purchasing agencies about existing or new AI uses.
- **Establish Contractual Obligations and Monitor AI Performance Post-Acquisition:** OMB guidance emphasizes the danger of inaccurate or biased outputs impacting the public’s rights, safety, privacy or civil rights. To address these risks, agencies should include contractual provisions requiring vendors to identify risks and mitigation strategies, update the agency on changes or new features or development techniques, and report incidents. Contracts should incorporate transparency requirements to ensure agencies can monitor performance; delineate responsibilities for testing and monitoring; and establish criteria for risk mitigation and performance improvement. The OMB guidance addresses specific concerns with AI-based biometrics and AI training data that can produce unlawful discrimination.
- **Special Concerns with Generative AI:** The OMB guidance requires maximum disclosure when generative AI outputs are not readily distinguishable from reality; active mitigation of inappropriate, harmful or illegal output; on-going evaluation, testing and red-teaming with results that can be shared publicly as much as possible; and mitigation of environmental impacts. OMB urges agencies to ensure that the product is the best fit for the agency’s mission.

- **Intellectual Property Rights and Data Ownership in AI Contracts:** Agencies can define intellectual property rights in AI contracts to preserve ownership and use of their data. Contracts can prohibit vendors from using agency data to train their AI systems without explicit consent and from using the data or outputs for public or commercial AI algorithms.

REVIEW TRACKING:

Submitted By: 
Joshua Nelson/BB&K
District Counsel

Approved By: 
Bradley A. Johnson, P.E.
General Manager/CEO

**Board of Directors
Long Range Calendar**

December 2024 Dates of Interest	Date			
Community Tree Lighting - NTEC	12/6/2024	5 P.M.- 7 P.M.	NTEC	
Employee Appreciation Party	12/14/2024	6 p.m.		
NTPUD Recreation & Parks Commission and Committee Regular Joint Meeting	12/5/2024	6 p.m.	NTEC	
Toys for Tots - NTEC	12/14/2024	10 A.M.-1 P.M.	NTEC	
Winter/Spring Activity Guide release	12/20/2024			
January 2025 Dates of Interest	Date			
Toddler Time & Golden Hour Socials	ongoing Tuesday	10 a.m. & 11:30 a.m.	NTEC	
Winter/Spring Activity Guide Release	1/6/2023			
Nordic Nights Under the Lights	1/27/2023	1 P.M.-4 P.M.	NTEC	
Joint Special Board Meeting (TCPUD/NTPUD) - if necessary				
January 14, 2025 Regular Board of Directors Meeting			Finance Committee	D&P Committee
Adopt Resolutions for Investment Policy (NTPUD and NTBC) for 2024				
Annual North Tahoe Building Corporation Meeting (immediately following regular meeting)				
Strategic plan status update				
District Contracting, Procurement, and Purchasing Policy Update to Align Authority Levels with CUPCCAA Updates				
Approve a Substantial Notice of Completion for work completed on the Brockway Drinking Water and Fire Protection Infrastructure				
Authorize the General Manager to Execute a Professional Services Agreement for Trail Planning and Design				
Authorize the General Manager to Execute a Professional Services Agreement for Sewer Pump Station Design				
Wholesale Water Agreement with Tahoe City Public Utility District				
February 2025 Dates of Interest	Date			
Toddler Time & Golden Hour Socials	ongoing Tuesday		NTEC	
CWEA Awards Dinner				
NTPUD Recreation & Parks Commission and Committee Special Joint Meeting				
California Parks & Recreation Society Conference	2/27-3/1			
Nordic Nights Under the Lights	2/16/2024	5:00 PM	NTRP	
February 13, 2025 Regular Board of Directors Meeting			Finance Committee	D&P Committee
NTRP and TVRA Facility Rental Rates				
Authorize Purchase Order to Western Nevada Supply to Order FY 25 Materials				
Authorize Purchase Order to Badger Meter to Order FY 25 Materials				
Accept Independent Audit Report of the Money Purchase Pension Plan for Calendar Year 2022				
Mid-Year Budget Parameter Update				

**Board of Directors
Long Range Calendar**

LAFCO Nominations				
Award a Construction Contract and Authorize the General Manager to Execute the Agreement for the Trout Avenue Fire Protection Water Infrastructure Project				
Job Description & Org Chart Updates (Customer Service & NTEC)				
March 2025 Dates of Interest	Date			
Toddler Time & Golden Hour Socials	ongoing Tuesday			
SnowFest! Kings Beach Pancake Breakfast/Parade				
Special Districts Risk Management Authority (SDRMA) Spring Education Day				
Annual Joint Sewer Facilities (JSF) D&P Committee Meeting with TCPUD Sewer & Water				
NLTPFA Meeting				
Budget Workshop				
Nordic Nights Under the Lights				
Family Game Night				
Spring Scavenger Hunt				
California Parks & Recreation Society Conference	3/18-3/21			
March 11, 2025 Regular Board of Directors Meeting	11am-1pm			
Approve General Liability Insurance and Property Insurance Program for 2024/2025 (effective April 1, 2025)				
Draft Fiscal Year 2024/25 Strategic Focus and Budget Parameters				
Annual Public Hearing on Open Positions and Recruitment Status				
North Tahoe Event Center Status Update and Strategic Review				
PUBLIC HEARING: Establish the Connection Date for Property Owners to Reconnect Their Private Water Service to the New Watermains as Part of the 2025 Trout Avenue Watermain Replacement Project			X	
April 2025 Dates of Interest	Date			
Form 700s are due April 1	4/1			
Toddler Time & Golden Hour Socials				
California Park and Recreation Society Annual Conference				
NTPUD Recreation & Parks Commission and Committee Regular Joint Meeting				
Semi-Annual Employee Meeting				
TVRA 2024 Operations & fees				
Special Board Meeting - Fiscal Year 2025/26 Captial Improvement Project Budget Workshop and Tour (tentative)	TBD			
April 8, 2025 Regular Board of Directors Meeting		Committee	D&P Committee	Committees
Award a Construction Contract for the Replacement of Asphalt Concrete in Various Locations			X	
LAFCO representatives selection				

**Board of Directors
Long Range Calendar**

May 2025 Dates of Interest				
Summer Activity Guide release and program registration opens				
May Meltdown Disc Golf Tournament		9 A.M.	NTRP	
TVRA Boat Ramp opens		7 A.M.	TVRA	
Special Board meeting - Capital Budget/CIP Tour				
Special Board Meeting - Fiscal Year 2024/25 Budget Workshop				
ACWA Spring Conference				
Pickle in the Pines Pickleball Tournament		9 A.M-5 P.M.	NTRP	
May 13, 2025 Regular Board of Directors Meeting		Committee	D&P Committee	Committees
Resolution for <i>Parks Make Life Better!</i> Month in July				
GM Evaluation (Closed session)				
NTEC Rates				
Notice of Completion for the Brockway Drinking Water and Fire Protection Infrastructure				
June 2025 Dates of Interest	Date			
NTBA Community Cleanup Day (District is a Sponsor)				
Non-Resident KAYAK & SUP Storage Registration Opens				
BGCNLT: Wine on the Water				
NTPUD Recreation & Parks Commission and Committee Regular Joint Meeting				
Music on the Beach (every Friday at KBSRA, 6 - 8:30 p.m.) Begins				
5K For a Cause				
Walk & Learn Tour - National Ave. Water Treatment Plant				
Pickleball, Tennis & Volleyball Leagues Start				
American Water Works Association (AWWA) Association ACE Conference				
CSDA General Manager's Conference				
June 10, 2025 Regular Board of Directors Meeting		Committee	D&P Committee	Committees
Adopt Final Budget				
Approve Appropriations Limit				
Approve PO's for Budgeted Line Items/Vendors				
GM Evaluation (Closed session)				
Items with dates pending				
California Fair Political Practices Commission Ethics Training (AB 1234) by General Counsel, Joshua Nelson, Best Best & Krieger LLP (Required every two years; Due 9/12/2025)				
Interagency Agreement with Tahoe Conservancy for Fuels Management for Infrastructure				
Anti Harrassment Training Workshop for Board (AB1661) (Required every two years; Due September 2026)				
GM Eval (May-June)				

**Board of Directors
Long Range Calendar**

Biennial Filing - Amend Conflict of Interest Code September 2026				
Employee Anniversary Award 10/12/25 - Joe Pomroy - 5 years				
Employee Anniversary Award 10/18/25 - Toby Robinson - 15 years				
Employee Anniversary Award 11/9/25 - Lori Pommerenck - 5 years				
Employee Anniversary Award 12/30/25 - Justin Broglio - 5 years				