



N.C.S.D

Northstar Community Services District
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Board of Directors
WARREN "CHIP" BROWN
DEE CRAVENS
JEANN GREEN
NANCY IVES
CATHY STEWART, PRESIDENT

General Manager
MICHAEL STAUDENMAYER

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
JANUARY 16, 2019 – 9:00 A.M.
ADMINISTRATION/ENGINEERING OFFICE**

President Stewart called the meeting to order at 9:00 a.m. Wednesday, January 16, 2019. Roll call and Pledge of Allegiance followed.

DIRECTORS PRESENT: Brown, Cravens, Green, Ives, Stewart

DIRECTORS ABSENT: None

STAFF PRESENT: Zangara, Rosenthal, Ryan, Staudenmayer, Martin, Bailey

OTHERS PRESENT: Tim Fulton, Jerusha Hall, Mike Moll, Linda Morris, Daria Hodapp, Shawn Koorn, Teal Brown Zimring, John Friedrich, Timothy Stansell, Jeff Green, Austin Cho (via telephone conference), Tim Irvin (via telephone conference), Gayle Riggins (via telephone conference), Keith Vogt (via telephone conference), Jim Kooler (via telephone conference), Allison Wolff (via telephone conference)

PUBLIC COMMENT

There was no public comment.

CONSENT CALENDAR

Director Green moved to approve the following consent calendar items:

- December 19, 2018 Regular Meeting Minutes
- Approval of Claims and Demands – Paid and Unpaid
- Budget Adjustment

**Director Ives seconded, roll call was taken. Yes: Directors Brown, Cravens Green, Ives, and Stewart
Noes: None. Absent: None**

RECURRING BUSINESS

MEETINGS ATTENDED BY NCSD BOARD MEMBERS

There were no meetings attended by Directors.

MOUNTAINSIDE BUILDERS UPDATE

There was no update for this agenda item.

NORTHSTAR PROPERTY OWNERS ASSOCIATION (NPOA) UPDATE

Tim Fulton provided the following NPOA update:

- Working on a project list for 2019 and obtaining bids
- As of January 1, 2019 NPOA accepts credit cards for guest fees, towels, merchandise, etc.

NORTHSTAR CALIFORNIA/VAIL UPDATE

Jerusha Hall provided the following Northstar California/Vail update.

- The snow accumulation from recent storms has the mountain set for the season.
- Northstar California/Vail is one hundred percent open.
- Attended the Mountain Housing Counsel meeting.
 - There will be a white paper released on short term rentals – statistics and information.
- Northstar California/Vail has secured 54 beds in Kings Beach for employee housing.
 - Candlestick Housing Site
 - Two- year master lease
 - 15 units
 - Walking distance to stores, laundry, TART and markets
- Working with Fire Chief Sean Bailey on a CalFire grant.
- After recent storm Northstar California/Vail is revisiting their emergency action plan.
- Big Spring Day Lodge is hosting Family Dinners on February 2 and March 16.

NEW BUSINESS

President Stewart stated agenda items would be taken out of order.

APPOINT SECRETARY OF THE BOARD

Director Ives moved to appoint Julie Zangara Secretary of the Board. Director Brown seconded, roll call was taken, Yes: Directors Brown, Cravens, Green, Ives and Stewart. Noes: None. Abstain. None. Absent: None. The motion carried.

COMPREHENSIVE WATER RATE STUDY REVIEW

Shawn Koorn of HDR Engineering presented an in depth review of the rate study inclusive of rate alternatives. The presentation included a brief summary of study results and recommendations which took into account Board direction and input from the December 19, 2018 Regular Board Meeting. Mr. Koorn was looking for direction on proposed cost of service recommendations and rate design alternatives.

Mr. Koorn reviewed Proposition 218 requirements, the revenue requirement, cost of service and alternative rate structures for the Northstar and Zone 4 water systems.

For the Northstar System, rates were targeted to reflect a system-wide goal of a 70% fixed rate and 30% consumptive based variable rate. Alternative 1 would reflect an immediate increase to the target percentages while Alternative 2 would reflect a change over time. For the Condo rate class there is a proposed change from a per meter charge to a per living unit charge for the fixed component of the rate. Either alternative would have the District meeting the same revenue requirement identified in the cost of service analysis by the end of year five, but moving to a per living unit charge would introduce a more equitable cost structure across the condo customer class.

Director Ives inquired about the definition of a living unit. Mr. Koorn clarified that a living unit is one residence regardless of number of bedrooms.

The District will continue to bill the property owner at the point of service for each metered Condo service account. General Manager (GM) Michael Staudenmayer stated it would be up to CAMCO and/or the individual condo boards to determine how to distribute the charges among end users. GM Staudenmayer stated this new approach was to address inequities brought to the District's attention by residents during the previous Water Rate Study Presentation at the December 19, 2018 Regular Board Meeting and other discussions.

Mr. Koorn reviewed in detail the impacts for customers of each alternative for rate implementation.

For the Zone 4 System, there are proposed changes to the structure of charges which include adding a capital component to the consumption charge, assigning operating charges based on meter sizes, combining 5/8", 3/4" and one inch meter sizes into a one inch or less category, and the number of tiers for consumption being reduced from four to three. Rates in the alternative for the Zone 4 system were also targeted for a system-wide 70% fixed rate and a 30% variable rate. The commercial class for Zone 4 system also reflects a change from a tiered consumption to one consumption rate.

President Stewart inquired whether different alternatives for each system could be considered. Mr. Koorn affirmed that between the two different systems different alternatives could be chosen but not for different classes within the individual systems.

President Stewart called for public comment.

Tim Irvin and Jim Kooler from Indian Hills Condominium Association expressed appreciation for addressing the concerns raised at the December 19, 2018 Regular Board Meeting. Mr. Kooler encouraged the Board to go with Alternative 1 for the Northstar Water System.

Gail Riggins inquired whether Alternative 1 would meet the requirements of Proposition 218. Mr. Koorn stated that he believed this to be the case and the decisions of the courts support this.

Director Cravens stated Alternative 2 would be easier to swallow as a consumer.

President Stewart read a statement from Glenn Steiner, Ski Trails Home Owner's Association Board President, with regard to the proposed changes to the rate structures for condominiums in the Northstar system. The letter was read into the record per Mr. Steiner's request. To read the contents of the letter in its entirety see Exhibit A attached hereto the minutes. Mr. Koorn addressed the concerns raised in the letter and stated the requested steps of the Ski Trails Home Owner's Association Board had been performed during the course of the Water Rate Study. GM Staudenmayer affirmed that Mr. Koorn is an independent third party.

Director Ives stated that water conservation should be considered as a part of the conversation with regard to Board direction on the alternatives. A lengthy discussion ensued.

Director Cravens stated concerns with regard to customer impact and expressed reluctance to make a decision. A brief discussion ensued.

The Board agreed to proceed with Alternative 1 for both the Northstar system and Zone 4 system with a goal of implementation by May 1, 2019.

10:37 A.M. RECESS – 10:46 A.M. REGULAR MEETING RESUMED

STAGES PROJECT UPDATE

This agenda item was postponed until the February Regular Board Meeting. Keith Vogt, via telephone, provided a brief review of what to expect during the presentation at the February meeting. Mr. Vogt will be requesting a letter of support from the District to submit with his application for a grant for the project.

GREEN WASTE RECYCLING CENTER STATUS REPORT

GM Staudenmayer provided a presentation for the Green Waste Recycling Center. NCSD Forest Fuels Management and Defensible Space Programs generate significant volumes of green waste material

annually. Historically, the material has been deposited in one of the resort's parking lot bays at Castle Peak. The District incurs costs associated with the maintenance and replacement of asphalt at this site. There are additional costs associated with material processing and transport to biomass facilities that have been subject to past closures creating uncertainty annually in material disposal solutions. Given the increasing volume of material experienced over the course of the program and the current plans to ramp up the programs, a more reliable and cost-effective method of material disposal is desirable to create a more efficient and effective program. Staff have researched various options and believe that compact gasification technology may be the appropriate solution. GM Staudenmayer reviewed benefits, hurdles and took questions from the Board. A lengthy discussion ensued.

Tim Stansell, Regional Sustainability and Compliance Manager for Vail Resorts stated reasons for Vail Resorts senior management interest. Mr. Stansell provided information on the benefits and hurdles of the project. Mr. Stansell stated this project has the potential to serve as a model for other communities in the Sierra region.

John Friedrich, Business and Community Development Manager for Liberty Utilities in the Tahoe region, stated Liberty Utilities support for the District project. Mr. Friedrich outlined the issues to work through and the reasons why the project should be pursued for the overall benefit of the community.

Allison Wolf, Founder & CEO of Commonwise, provided a brief overview of the Commonwise Organization.

Teal Brown Zimring, Director of Policy and Programs for Commonwise, stated reasons for support from Commonwise for the Green Waste Recycling Center project. Ms. Zimring stated the benefits of the Biochar product of the gasification technology.

RESOLUTION 19-01 – SIGNATURE AUTHORITY FOR CALFIRE FOREST HEALTH GRANT APPLICATION

District Engineer (DE) Eric Martin stated that with the Board support for the Green Waste Recycling Center, potential funding may be available through the CalFire Forest Health Program. This grant program requires signature authority to be granted by resolution prior to applying for funding. The application is due January 29, 2019.

Director Brown moved approve Resolution 19-01 – Signature Authority for CAL Fire Forest Health Program Grant Application. Director Green seconded, roll call was taken, Yes: Directors Brown, Cravens, Green, Ives and Stewart. Noes: None. Abstain. None. Absent: None. The motion carried.

GM Staudenmayer requested the Closed Session and Agenda Item 14 be taken next in the meeting. The Board agreed.

12:06 P.M. – CLOSED SESSION

Conference with Legal Counsel – Anticipated Litigation – Initiation of litigation pursuant to paragraph (4) or subdivision (d) of Government Code section 54956.9 (one potential case).

No action was taken during the closed session.

12:24 P.M. – REGULAR MEETING RESUMED

RESOLUTION 19-02 – “RESOLUTION OF THE BOARD OF DIRECTORS OF THE NORTHSTAR COMMUNITY SERVICES DISTRICT ACTING AS THE GOVERNING BODY OF COMMUNITY FACILITIES DISTRICT NO. 1 ORDERING JUDICIAL FORECLOSURE OF

DELINQUENT SPECIAL TAXES PURSUANT TO THE MELLO-ROOS COMMUNITY FACILITIES ACT OF 1982 AND ORDERING THAT THE TAX COLLECTOR BE CREDITED WITH THOSE TAXES AS APPLICABLE”

GM Staudenmayer stated reasons why the Board should proceed with judicial foreclosure of delinquent special taxes.

Director Brown moved to approve Resolution 19-02 – “Resolution of the Board of Directors of the Northstar Community Services District Acting as the Governing Body of Community Facilities District No.1 Ordering Judicial Foreclosure of Delinquent Special Taxes Pursuant to the Mello-Roos Community Facilities Act of 1982 and Ordering that The Tax Collector be Credited With Those Taxes as Applicable.” Director Green seconded, roll call was taken, Yes: Brown, Cravens, Green, Ives and Stewart. Noes: None. Abstain: None. Absent: None. The motion carried.

FIRE CHIEF NOMINATION TO FIRE AGENCIES INSURANCE RISK AUTHORITY (FAIRA) BOARD

Chief Bailey stated the benefits of his nomination to stand election to the FAIRA Board. FAIRA provides fire departments general liability insurance since the inception of the District.

Director Ives moved to approve the nomination of Chief Bailey to the FAIRA Board. Director Cravens seconded, roll call was taken. Yes: Directors Brown, Cravens, Green, Ives and Stewart. Noes: None. Absent: None. The motion carried.

WATER SYSTEM MANAGEMENT PLAN

DE Martin presented a brief review of the Water System Management Plan as detailed in the Board Packet.

REVIEW OF NORTHSTAR COMMUNITY SERVICES DISTRICT STRATEGIC PLAN

GM Staudenmayer stated the District Strategic Plan had been completed and updated with completion dates. President Stewart stated the Board should revisit this discussion in July. The Board agreed.

DIRECTOR REPORTS

There were no Director reports.

GENERAL MANAGER’S REPORT – STAUDENMAYER

GM Staudenmayer provided the following report:

- DWR released the final results of the basin prioritization study. The Martis Valley Groundwater Basin was reprioritized from Medium to Very Low. The new categorization alleviates the Local Sustainable Ground Water Management Act (SGMA) agencies from the requirements of SGMA. Action will be taken to withdraw the Alternative Submittal and dissolve the MOA amongst the group. The local water purveyors will go back to the framework under the Groundwater Management Plan for stewardship activities.
- Placer County was unable to get any response back from the Washoe Tribal Council relative to getting the mitigation approval for the Martis Valley Trail project on the agenda for their January meeting as planned. Continued attempts to reach tribal representatives will continue in the hopes of rescheduling for their February meeting.

FIRE DEPARTMENT – BAILEY

Chief Bailey provided the following report:

- There were two structure fires in the District that were extinguished quickly by the Northstar Fire Department. One fire was caused by an unknown source. The second fire was caused by a gas fireplace.
- Northstar Fire Department responded to a vehicle accident involving 20 vehicles.

- Chief Bailey attended the Lake Tahoe Regional Fire Chiefs Association meeting.
- Chief Bailey and Division Chief Jason Gibeaut held a meeting with representatives from Tahoe Donner, Vail, Martis Camp, Truckee Fire, Sierra Business Council, and Conservation Science Partners to discuss the Forest Health Program grant proposal.
- Out of 253 forest fuel reduction piles to burn this season, seven remain.
- The California Fire Safe Council Grant was awarded at \$279,928. The proposal increased from \$90,000.
- The CAL FIRE Fire Prevention grant in the amount of \$1.3 million was submitted December 19, 2018.
- A CAL FIRE Forest Health Program grant proposal is in the works.
- The application process for the Defensible Space Inspector position is in process. Anticipated start day is early May.
- The Evacuation Committee met. The committee is aiming for something to present to the Board in March or April.
- Utility Worker Travis Dwyer was able to assist with a repair to engine within 20 minutes and order the part for the Fire Department saving both time and money for the District on what would have been a costly repair.

PUBLIC WORKS REPORT – MARTIN/RYAN

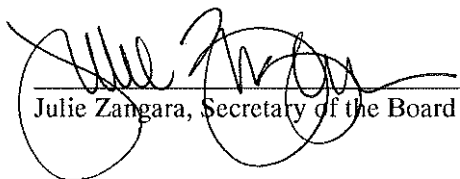
DE Martin and Utilities Operations (UOM) Ryan provided the following report:

- DE Martin is working on two grants: The CalFire Forest Health Program grant due January 29, 2019 and the CalFire Clean Energy grant due in February.
- Staff is researching opportunities to change well operations seasonally in an effort to reduce Liberty Utilities peak electrical demand charges.
- Staff met with NPOA about potential Tompkins Memorial Trail connections.

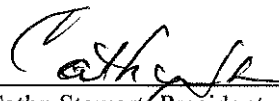
AJOURNMENT:

The meeting adjourned at 1:17 P.M.

Respectfully submitted,



Julie Zangara, Secretary of the Board



Cathy Stewart, President of the Board

From: Eric Wicks <eric@camcotruckee.com>
Sent: Tuesday, January 15, 2019 3:33 PM
To: Eric Martin <ericm@northstarcsd.org>
Subject: Ski Trails Response to proposed NCSD Water Rates

Hi Eric,

Thank you for your phone call last week to discuss the proposed water rate changes. I've received the following response from the Ski Trails Condominium Association. The Board has requested the following statement be read into the record at the meeting.

To NCSD Board,

The Ski Trail board of directors representing the Ski Trail Condo HOA feels that the proposed per unit fee is completely disproportionate in comparison to residential unit charges. Such charges should be based on the actual infrastructure cost for water delivery from the main to the meter. We would like to point out that there are very substantial differences in the infrastructure cost for water delivery between a single family residence and a condo. These include but are not limited to:

1. Fewer meters to maintain. Every single family residence has its own meter which NCSD must maintain. Our condos have shared meters. It is not clear how many meters our units are sharing, but we believe it is at least 16 units per meter. Thus, our apportioned meter cost should be adjusted accordingly.
2. Dramatically reduced billing costs. Our HOA of 144 units is billed with a single billing compared to individual residences which would require 144 individual bills.
3. Significantly less pipe infrastructure. The total pipe length required to service our relatively dense condos is significantly less than what is required for an equivalent number of homes.

The Ski Trails HOA feels that a "unit" is an arbitrary measure that's completely unrelated to the cost of service. Whether one meter feeds one unit, or one meter feeds 1000 units, there's no difference in the cost of delivery, maintenance or billing to NCSD. Charging the latter 1000 times more than the former is, therefore, an arbitrary and unfair decision. The Ski Trails HOA would like to formally request that an independent 3rd party perform an analysis of the infrastructure costs so that both home and condo costs are equitably allocated.

Sincerely,
Glenn Steiner
Ski Trail HOA Board President

Regards,

Glenn Steiner
Xilinx
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