



N.C.S.D

Northstar Community Services District
900 Northstar Drive, Truckee, CA 96161
P: 530.562.0747 • F: 530.562.1505 • www.northstarcsd.org

Board of Directors
WARREN "CHIP" BROWN
DEE CRAVENS
NANCY IVES
CATHY STEWART, PRESIDENT
MICHAEL "SPOON" WITHERSPOON

General Manager
MICHAEL STAUDENMAYER

**MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS
DECEMBER 18, 2019 – 9:00 A.M.
ADMINISTRATION/ENGINEERING OFFICE**

President Stewart called the meeting to order at 9:00 a.m. Wednesday, December 18, 2019. Roll call and Pledge of Allegiance followed.

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

DIRECTORS ABSENT: None

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

OTHERS PRESENT: Tim Fulton, Jerusha Hall, Jason Gibeaut, Kevin O'Brien (via teleconference), James Marta

PUBLIC COMMENT

There was no public comment.

9:01 A.M. PRESIDENT STEWART CALLED THE PUBLIC HEARING TO ORDER

Community Risk Reduction Chief (CRRC) Jason Gibeaut stated at the Northstar Community Services District (NCS D) Regular October Board Meeting, a draft Ordinance 36-19, adopting and amending the 2019 Edition of the California Building Standards Code and Fire code was introduced, read and approved by the Board. The draft ordinance was provided to Placer County for review by the Code Compliance Services Division and legal counsel. While under review by Placer County, District Fire Personnel sought feedback from local stakeholders within the community. As a result of the reviews, the Northstar Fire Department is proposing further changes to the final draft ordinance prior to approval and ratification. CRRC Gibeaut reviewed the additional amendments to the draft Ordinance 36-19 with the Board.

PUBLIC HEARING TO ADOPT THE UPDATED NORTHSTAR COMMUNITY SERVICES ORDINANCE NO. 36-19, AN ORDINANCE ADOPTING AND AMENDING THE 2019 EDITION OF THE CALIFORNIA BUILDING STANDARDS CODE (TITLE 24, CALIFORNIA CODE OF REGULATIONS), PART 9 (2019 CALIFORNIA FIRE CODE) AND APPENDICES; AND REPEALING ORDINANCE NO. 33-16 OF THE NORTHSTAR COMMUNITY SERVICES DISTRICT AND ALL OTHER ORDINANCES AND PARTS OF ORDINANCES IN CONFLICT HEREWITH.

9:10 A.M. PRESIDENT STEWART CLOSED THE PUBLIC HEARING

Director Brown moved to adopt the updated Northstar Community Services Ordinance No. 36-19, An Ordinance Adopting and Amending the 2019 Edition of the California Building Standards Code (Title 24, California Code of Regulations), Part 9 (2019 California Fire Code) and Appendices; and Repealing Ordinance No. 33-16 of the Northstar Community Services District and All Other Ordinances and Parts of Ordinances in Conflict Herewith. Director Cravens seconded, roll call was taken, Yes: Directors Brown, Cravens, Ives, Witherspoon and Stewart. Noes: None. Abstain. None. Absent: None. The motion carried.

CONSENT CALENDAR

Director Witherspoon moved to approve the following consent calendar items:

- November 20, 2019 Regular Meeting Minutes
- Approval of Claims and Demands – Paid and Unpaid

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

RECURRING BUSINESS

MEETINGS ATTENDED BY NCSD BOARD MEMBERS

- Director Witherspoon attended the GPAC Climate Subcommittee Meeting
- Director Cravens attended the Tahoe-Truckee Airport Board Meeting

MOUNTAINSIDE BUILDERS UPDATE

There was no update for this agenda item.

NORTHSTAR PROPERTY OWNERS ASSOCIATION (NPOA) UPDATE

Tim Fulton provided the following update for NPOA:

- Board meeting was held December 7
- Strategic Planning Workshop scheduled for December 27 and January 2
- Next meeting is February 22, 2020
- Updating NPOA website

NORTHSTAR CALIFORNIA/VAIL UPDATE

Jerusha Hall provided the following update for Northstar California/Vail:

- Tim Stansell will be at the January NCSD Board Meeting
- 60 of 100 trails are open with 10 lifts in operation
- Ellen Galbraith is the new Senior Director of Mountain Operations
- Thursday nights are Silent Nights at Northstar
- Friday Nights are Noel Nights
- Annual New Year's Eve celebration is planned
- Martis Valley Trail 3B moving forward

NEW BUSINESS

AUDIT PRESENTATION BY JIM MARTA OF JAMES MARTA & CO.

James Marta of James Marta & Company LLP provided Board with highlights from the FY2018-19 audited financial statements. Mr. Marta stated that the auditor's opinion is unmodified, which means that the District's financial statements fairly represent the financial position of the District. Mr. Marta reviewed the financial standing of the District for the year under audit. Along with the audit report, there are three corresponding letters: Report on Internal controls, Communication with those charged with governance, and Management Letter.

The Report on Internal controls identified no findings for the current audit year. The report from the prior year found an issue in segregation of duties at the District which had been both addressed and resolved and was, therefore, a non-issue for the current audit year.

Communications with those charged with governance identified no significant issues, presented audit adjustments, and defined management representations.

The Management Letter highlights areas that do not rise to the level of a finding. In the year under audit, auditors recognized the need to periodically balance “due to, due from” accounts. The required staff response by Director of Finance and Administration (DFA) Greg Rosenthal was that the accounts are currently being balanced on a quarterly basis.

Mr. Marta provided clarity for the Board on fiscal responsibility with regard to the District’s Payable Review Policy. After a brief discussion, President Stewart asked DFA Rosenthal if there was a recommendation to the Board for adjustments to the Payable Review Policy. DFA Rosenthal recommended the Board eliminate the weekly review of payables by a single Director and continue the monthly review of payables as a part of the consent calendar.

A brief discussion ensued. It was decided that questions about items included in the Warrant Register could be asked of DFA Rosenthal before, during, or after the Board meeting. The Board agreed to the elimination of the weekly review and the continuation of the monthly approval of paid and unpaid items. After a clarifying question by DFA Rosenthal specific to the continuation of the quarterly review of paid items by a single Director, staff was directed to eliminate the quarterly review. The Board directed DFA Rosenthal to amend the policy to reflect only a monthly review of payables by the Board.

ACCEPTANCE OF AUDITED FINANCIAL STATEMENTS

There was no discussion of this agenda item.

Director Witherspoon moved to accept the Audited Financial Statements. Director Ives seconded, roll call was taken, Yes: Directors Brown, Cravens, Ives, Witherspoon and Stewart. Noes: None. Abstain. None. Absent: None. The motion carried.

APPROVAL OF PENSION COST MANAGEMENT POLICY

General Manager (GM) Mike Staudenmayer stated the intention of the policy is to function as an Unfunded Accrued Liability (UAL) maintenance tool. GM Staudenmayer stated the staff recommendation is to target a funded ratio for the District’s UAL at 90% to avoid overfunding. Operating funds will be used to pay the CalPERS UAL and Employer Normal Cost when funds are available. Using operating funds will allow for the growth of the 115 Trust. Once the 115 Trust has realized adequate interest earnings, the goal is to provide full payment of the both the UAL and Employer Normal Cost through those interest earnings.

DFA Rosenthal stated that many factors had to be addressed when creating the proposed Pension Cost Management Policy including: CalPERS investment performance, actuarial assumptions and their impact on Total Employer Cost, market performance, and the addition of Public Employee’s Pension Reform Act (PEPRA) employees to the workforce. DFA Rosenthal stated there are two funding strategies as part of the proposed Pension Cost Management Policy: Strategy 1 with an expected return of 5.0% and Strategy 2 with an expected return of 4.0%, the modeling done has the District implementing Strategy 1.

District Counsel Kevin O’Brien stated that if the Board was inclined to approve the Internal Borrowing of Funds to Pre-Pay the UAL, they should do so pending legal review to provide District Counsel an opportunity to review. The Board agreed with District Counsel’s recommendation.

Director Ives moved to approve the Pension Cost Management Policy. Director Brown seconded, roll call was taken, Yes: Directors Brown, Cravens, Ives, Witherspoon, and Stewart. Noes: None. Abstain. None. Absent: None. The motion carried.

APPROVAL OF INTERNAL BORROWING OF FUNDS TO PRE-PAY UNFUNDED ACCRUED LIABILITY

DFA Rosenthal stated that in order to determine which Funds could support internal borrowing, staff referred to the District’s Reserve Management Policy, which allows for a 15-year term of borrowing. After consultation with District Engineer (DE) Eric Martin to identify which Capital fund could most reasonably

support the loan for the term of fifteen years without impacting planned capital expenditures, it was determined that the Sewer Capital fund would be the best option.

Director Brown moved to approve the Internal Borrowing of Funds in the amount of \$2,321,577 to Pre-Pay Unfunded Accrued Liability subject to legal review. Director Witherspoon seconded, roll call was taken, Yes: Directors Brown, Cravens, Ives, Witherspoon and Stewart. Noes: None. Abstain. None. Absent: None. The motion carried.

APPROVAL OF TRANSFER OF FUNDS TO SECTION 115 TRUSTS

DFA Rosenthal explained that the original Board report detailed an approach that was more complicated than necessary and involved a transfer of all monies to the California Employers' Pension Prefunding Trust (CEPPT) with a portion being withdrawn and used to pay down the District UAL and the remainder being left in the trust. An updated Board report was distributed that separately detailed 1) transfers to the 115 Trust and 2) prepayments of the District UAL. A copy of that report has been attached.

DFA Rosenthal reviewed the deposits and prepayments for each classification. For the Safety classification, the deposit to the CEPPT 115 Trust will be \$1,000,000 that will be taken from Governmental operating reserves. The prepayment of the UAL will be \$2,321,577 that will be borrowed from Sewer Capital Reserves. For the Miscellaneous classification, the deposit to the CEPPT 115 Trust will be \$2,624,403. The prepayment of the UAL will be \$1,375,597. The deposit and prepayment will be comprised of \$1,292,070 that will be taken from Governmental operating reserves and \$2,707,930 that will be taken from Enterprise Operating Reserves.

Director Witherspoon moved to approve the Transfer of Funds to Section 115 Trusts. Director Brown seconded, roll call was taken, Yes: Directors Brown, Cravens, Ives, Witherspoon and Stewart. Noes: None. Abstain. None. Absent: None. The motion carried.

BREAK 10:55 – 11:02 A.M. MEETING RESUMED

UPDATE TO DEPARTMENT OF TRANSPORTATION POLICY

Human Resources Administrator (HRA) Julie Zangara stated the Department of Transportation (DOT) was requiring an update to the District's DOT policy to include information for the newly established Federal Motor Carrier Safety Administration (FMCSA) Clearinghouse and revised Drug and Alcohol Testing Policy. The update is required to be in place by January 2020.

Director Ives moved to approve the Update to Department of Transportation Policy. Director Witherspoon seconded, roll call was taken, Yes: Directors Brown, Cravens, Ives, Witherspoon and Stewart. Noes: None. Abstain. None. Absent: None. The motion carried.

BOARD OF DIRECTORS – APPOINTMENT OF OFFICERS 2020

Board President Cathy Stewart opened nominations for the 2020 Appointment of Officers.

Director Brown moved to nominate Cathy Stewart for Board President. Director Ives seconded, roll call was taken, Yes: Directors Brown, Cravens, Ives, Witherspoon and Stewart. Noes: None. Abstain. None. Absent: None. The motion carried.

Director Ives moved to nominate Warren Brown for Board Vice President. Director Cravens seconded, roll call was taken, Yes: Directors Brown, Cravens, Ives, Witherspoon and Stewart. Noes: None. Abstain. None. Absent: None. The motion carried.

Director Brown moved to nominate Mike Witherspoon for Board Financial Representative Director Cravens seconded, roll call was taken, Yes: Directors Brown, Cravens, Ives, Witherspoon and Stewart. Noes: None. Abstain. None. Absent: None. The motion carried.

TAHOE TRUCKEE AIRPORT GRANT UPDATE TO RESOLUTION

Fire Chief Sean Bailey stated the Truckee Tahoe Airport District requested a revision to Resolution 19-17 passed by the NCSB Board of Directors on October 16, 2019. The revision requires Northstar Fire Department personnel and the UTV rescue vehicle to be present at the Air Show for the next ten annual events. Northstar Fire Department (NFD) has historically provided personnel and an apparatus for the air show, so the impact on the NFD is inconsequential.

Director Cravens moved to approve Resolution 19-24 a Resolution of the Northstar Community Services District Board of Directors Approving an Agency Partnership with the Truckee Tahoe Airport District for Funding to Support Northstar Fire Department's Rescue Program and a Proposed Multi-use All-terrain Rescue Vehicle." Director Brown seconded, roll call was taken, Yes: Directors Brown, Cravens, Ives, Witherspoon and Stewart. Noes: None. Abstain. None. Absent: None. The motion carried.

EVACUATION PRESENTATION

Chief Bailey provided an in-depth review of the Evacuation Plan for the District with the Board. The presentation addressed Public Evacuation Notification Systems for both Placer County Sheriff's Office and the Northstar Fire Department, Public Education Program, Temporary Refuge Areas, Secondary Evacuation Roads, Evacuation Route Fuels Management, and Red Flag Warnings. The Board inquired about the presentation being offered to homeowners. Chief Bailey stated he would be able to give the presentation to homeowners.

DIRECTOR REPORTS

There was no update for this agenda item.

GENERAL MANAGER'S REPORT – STAUDENMAYER

GM Staudenmayer provided the following report:

- Placer County Abandoned Section of Northstar Drive for road care and snow removal agreement has been countered by the owners representing the section of road. The collective of owners believe the responsibility falls to Northstar California/Vail. Northstar California/Vail has agreed to increase their contribution to half of the annual need. Staff stated that this is a fair proposal and the board recommended the contract be revised to reflect this arrangement for consideration in January.
- Met with NPOA representatives on the Martis Valley Trail 3F Alignment

FIRE DEPARTMENT – BAILEY

Chief Bailey provided the following report:

- Chief Bailey, CRRC Gibeaut and Forester Joe Barron met with Sierra Insurance regarding the ongoing homeowners' insurance non-renewals. The agent will be providing a presentation to the Board in early 2020.

PUBLIC WORKS REPORT – MARTIN/RYAN

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


- Highlands PRD Reconstruction is continuing. A punch list has been issued to Sierra Nevada Construction. With the exception of fourteen Liberty Utilities vaults, the project has been substantially completed.
- The District grader suffered a catastrophic failure. Buying a new grader is cost prohibitive when considering the complexity of the new machines. The recommendation is that the District rent a grader rather than purchasing one.

AJOURNMENT:
The meeting adjourned at 12:08 P.M.

Respectfully submitted,



Julie Zangara, Secretary of the Board



Cathy Stewart, President of the Board