



N.C.S.D

Northstar Community Services District
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Board of Directors

Warren "Chip" Brown, President
Nancy Ives
Marilyn Forni
Mike Moll
Michael "Spoon" Witherspoon

General Manager

Michael Staudenmayer

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS JUNE 16, 2021 – 9:00 A.M. VIA ZOOM

President Brown called the meeting to order at 9:00 A.M. Wednesday, June 16, 2021. Roll call followed.

DIRECTORS PRESENT

(via videoconference): **Brown, Forni, Ives, Moll, Witherspoon**

DIRECTORS ABSENT: **None**

STAFF PRESENT: **Zangara, Rosenthal, Ryan, Staudenmayer, Martin, Bailey, Gibeaut, Barron**

(via videoconference)

OTHERS PRESENT

(via videoconference): **Austin Cho, Josh Rainone, Jerusha Hall, John Jewett, Tim Fulton, Lynne Koplin, Fred Koplin, Don Schreuder, Rod Dutton, Sally Dutton, Ash Archibald, Karen Pierotti, Barbara Oseroff, Mike Plishner, Rona Gundrum, David Welch, Kathy Welch, Aaron Giamara, Scott Findley, David Beaupre, Dan Wadle, Martin Reubenstein, Laura from Sawmill Heights**

PUBLIC HEARING

President Brown opened the public hearing at 9:01 A.M.

Public Hearing for Proposing Formation of Wildfire Prevention Zone in order to adequately fund wildfire prevention and mitigation services, pursuant to the Northstar Fire Department Community Wildfire Protection Plan and Chapter 5 of Part 2 of the Community Services District Law (Gov. Code, 61140-61144)

General Manager (GM) Mike Staudenmayer provided an overview of the proposal for the Formation of the Wildfire Prevention Zone. In 2015 the District annexed in the Martis Valley Water System, Placer County Water Agency's Zone 4, including Martis Camp, Lahontan and Schaffer's Mill for water services only. The District's boundary encompasses these areas in addition to the historical Northstar boundary. The services for the Northstar boundary include a suite of services in addition to water service including wildfire protection from the Fuels Management department. Resolution 21-02 – "Resolution Authorizing Formation of Zone for Wildfire Protection Services," was adopted by the Board of Directors at the May 19, 2021 Regular Meeting of the Board of Directors for the District. Resolution 21-02 stated the District's intention to form the Wildfire Prevention Zone for the purpose of generating funds to provide wildfire protection services to the defined portion of the District by levying a special tax. The formation of the Wildfire Prevention Zone can proceed when there has not been protests by more than 50% of the registered voters

within the territory of the Wildfire Prevention Zone. GM Staudenmayer stated the Public Hearing was the formation of the zone and not the parcel tax itself.

The Board took comments and questions from the public.

Lynne and Fred Koplin inquired about the area of coverage for the proposed Wildfire Prevention Zone and how the District compels private owners to perform their own work.

Fire Chief Sean Bailey stated that some of the funding that would be produced if the tax measure is successful could be allotted for the areas around larger condominium complexes. The Forestry Department can enforce areas within 100 and 300 feet of private property. The areas beyond 300 feet from structures still pose a significant threat to the community. Utilizing the conclusions from two independent fire risk studies, the Northstar Fuels Management Department developed a community Wildfire Prevention Plan which allows the District to address areas of concern and/or threat to the community.

Rod Dutton inquired about who would be eligible to vote on the tax measure.

GM Staudenmayer stated it's a Placer County election process and voters registered within the proposed zone would be eligible to vote.

District Counsel Austin Cho stated the public hearing for the formation of the zone in question is subject to a protest vote by either the registered voters within the proposed zone or those who account for land ownership greater than 50% of the assessed value within the proposed zone.

Ash Archibald inquired about what measures have been taken to ensure the proposed tax is equitable.

GM Staudenmayer stated the proposed tax, which is not a part of the public hearing, would be a flat rate per parcel tax. The areas that would be addressed by the funding from the tax would be based on the independent, scientific studies performed prior to updating the District's Community Wildfire Protection Plan, resulting in a benefit to the community at large over individually owned parcels. The goal of securing funding for the fuels management program is to address the overall threat to the Northstar community.

Karen Pierotti inquired about what efforts the District has made in securing grants to address the funding. Ms. Pierotti further inquired about Vail Resorts interests in forwarding the proposed tax measure that could result from the formation of the proposed zone.

GM Staudenmayer stated this proposal is not driven by external parties, but the District's ability to address the mitigation goals laid out in the District's Community Wildfire Protection Plan. The District does not have the funding within current revenue sources to address the threat at a pace and scale that is desired, and the parcel tax would allow for such funding.

Chief Bailey stated in 2008 following the Angora Fire in South Lake Tahoe, District Fire Department staff concluded Cal Fire was limited in resources to address fuels management and defensible space concerns at Northstar. A fuels management department was formed as a result. Fuels management staff includes a full time, registered Professional Forester whose sole focus is to reduce the fire threat within the Northstar Community while promoting forest health.

Forester Joe Barron stated the District applies for federal, state, county and private grants to secure funding for Northstar's fuels management program. Since the introduction of the Fuels Management Department in

2008, almost \$3,000,000 in grant funding has been procured and nearly 1800 acres have been treated. Grants often dictate the areas and level of treatment in a project area.

Aaron Giamara inquired about how the flat rate was determined and the date of registration for the vote.

GM Staudenmayer stated that the rate was derived from the proposed budget to complete all initial treatment work within a 5-7 year period. The per parcel fee was determined to be the best alternative as the funding provided is a general service benefit to the whole community similar to a road maintenance tax.

District Counsel Cho stated the voter registration deadline for the potential ballot measure would be approximately fifteen days prior to the election.

Rona Gundrum inquired about the impacts defensible space and District-wide mitigation efforts would have in relation to the rising homeowner's insurance premiums.

GM Staudenmayer stated that the District has been engaging with the insurance community throughout the recent crisis. The insurance companies do not seem to account for fuels management efforts in their current modeling. There are some indications that this is changing, but there are no guarantees that the passage of the possible tax measure would influence the insurance community. The objective is to physically protect the District and community from the threat of wildfire.

David Beaupre inquired whether consideration could be made for the proposed tax being based on a property's assessed value. In addition, Mr. Beaupre inquired about whether the work being performed by the fuels management department would be subject to a transparent public bid process.

District Counsel Cho stated that in a typical Prop 218 assessment based on property value needs to be tied to a special benefit provided to the property. It has been determined through case law that fire protection and policing are general services and it would not be appropriate to levy a special tax through a Prop 218 process for this reason.

Forester Barron stated that due to the public safety nature of the of the fuels management program, the District can delegate the appropriate crews to perform the work. The District has specific crews that are delegated for this work and meet the requirements of the District. The fuels management program follows the District procurement policy for all contract work awarded.

Secretary of the Board Julie Zangara stated there were no written protests received.

Director Moll moved to approve Resolution 21-03 – “Resolution Approving Formation of Wildfire Prevention Zone Within the Northstar Community Services District.” Director Ives seconded, roll call was taken. Yes: Directors Brown, Forni, Ives, Moll and Witherspoon. Noes: None. Abstain. None. Absent: None. The motion carried.

Public Hearing to consider placing delinquent water charges, with penalties thereon, that remain delinquent as of June 30, 2021 on the property tax bill for the respective lot or parcel. The area of real property within which the delinquent charges and penalties will be applicable to the area within the boundary of the Northstar Community Services District.

Director Forni inquired about whether this was related to the monthly bill homeowners receive for water service.

Director of Finance and Administration (DFA) Greg Rosenthal stated the proposed Resolution 21-04 allows the District to place delinquent water charges on the homeowner's property tax bill. Customers are

considered delinquent when their bill has not been paid for several months, and multiple attempts have been made to reach the homeowners in delinquent status.

There was no public comment.

Director Ives moved to approve Resolution 21-04 – “Requesting Collection of Delinquent Water Charges on Tax Roll for Tax Year 2021-2022.” Director Witherspoon seconded, roll call was taken. Yes: Directors Brown, Forni, Ives, Moll and Witherspoon. Noes: None. Abstain. None. Absent: None. The motion carried.

President Brown closed the public hearing at 9:56 A.M.

PUBLIC COMMENT

Dane Wadle, Field Coordinator for California Special Districts Association (CSDA) provided a brief update to the Board on efforts by CSDA to procure COVID relief for special districts.

CONSENT CALENDAR

Director Forni moved to approve the following consent calendar items:

- a. May 19, 2021 Regular Meeting Minutes
- b. Review of District Salaries & Salary Ranges for Unrepresented and Seasonal Employees for Fiscal Year 2021-22
- c. Resolution 21-05 “Requesting Collection of Sewer Charges on the Tax Roll for Tax Year 2021-22”
- d. Resolution 21-06 “Requestion Collection of Solid Waste Charges on Tax Roll for Tax Year 2021-22”
- e. Resolution 21-07 “Requesting Collection of Measure “E” Taxes on Tax Roll for Tax Year 2021-22”
- f. Resolution 21-08 “Requesting Collection of Northstar Community Services Facilities District No. 1 Special Tax for Tax Year 2021-22”
- g. Reserve Management Policy – Schedules A & B
- h. Approval of Claims and Demands – Paid and Unpaid

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

RECURRING BUSINESS

MEETINGS ATTENDED BY NCSD BOARD MEMBERS

President Brown attended the Northstar Property Owners Association (NPOA) 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:

- Maintenance is being carried out and completed at NPOA facilities
- Expanded capacity with no masking required for members and guests per updated CDC and state guidelines
- Reservation system will be discontinued mid-July

NORTHSTAR CALIFORNIA/VAIL UPDATE

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

- Mountain Bike Park opens on June 18, 2021
- Golf Course will open at the end of June
- Mountain clean up taking place
- Working with Placer County on Martis Valley Trail signage
- Working with the Northstar Fire Department on fuels management

NEW BUSINESS

RESOLUTION 21-09 “RESOLUTION ADOPTING THE NORTHSTAR COMMUNITY SERVICES DISTRICT FISCAL OPERATING & CAPITAL BUDGET FOR 2021-22”

DFA Rosenthal stated the budget presented for adoption realized no great material changes when compared to the draft budget presented at the May 19, 2020 Regular Meeting of the Board of Directors, and provided the Board with an overview of the changes of note as follows:

- Fire projects were adjusted to offset revenue that was mistakenly recorded. This resulted in lowering revenue expectations. There was an increase in offsetting revenue for the Biomass Utilization project due to expected grant revenue. Fuels Management revenue was increased based on an adjustment in projects for expected grant revenue.
- Adjustments to expenses included an increase in legal fees based on a better understanding of Northstar Water System legal expense needs, and increased expenses for the Biomass Utilization Project.
- Capital expenditures increased due to revenue associated with the Biomass Utilization project and grant revenue for Fire projects, and the addition of the Utility Operations Equipment charging and parking project.

DFA Rosenthal provided the Board with an in-depth review of key driving factors, budget assumptions and estimates.

Director Ives moved to approve Resolution 21-09 “Resolution Adopting the Northstar Community Services District Fiscal Operating & Capital Budget for 2021-22.” Director Moll seconded, roll call was taken, Yes: Directors Brown, Forni, Ives, Moll and Witherspoon. Noes: None. Abstain. None. Absent: None. The motion carried.

RESOLUTION 21-10 “RESOLUTION ESTABLISHING AN APPROPRIATIONS LIMIT FOR FISCAL YEAR 2021-22”

DFA Rosenthal stated the appropriations limit, also known as the Gann limit, is established to limit the spending of District property and parcel tax revenue.

Director Witherspoon moved to approve Resolution 21-10 “Resolution Establishing an Appropriations Limit for Fiscal Year 2021-22.” Director Moll seconded, roll call was taken, Yes: Directors Brown, Forni, Ives, Moll and Witherspoon. Noes: None. Abstain. None. Absent: None. The motion carried.

RESOLUTION 21-11 ADOPTING SEWER RATES FOR FISCAL YEAR 2021-22

District Engineer (DE) Eric Martin stated that for FY 2020-21 the District opted not to increase the operational component of sewer rates. Rather than reverting back to the adopted five-year sewer rate structure, which would entail a seven percent increase for FY 2021-22, Resolution 21-11 contemplates a 3.5% increase to the operational component of sewer rates.

Director Moll moved to approve Resolution 21-11 Adopting Sewer Rates for Fiscal Year 2021-22. Director Ives seconded, roll call was taken, Yes: Directors Brown, Forni, Ives, Moll and Witherspoon. Noes: None. Abstain. None. Absent: None. The motion carried.

APPROVAL OF NEW PAY SCALE AND JOB DESCRIPTION FOR THE SEASONAL FORESTRY ASSISTANT

Fire Chief Sean Bailey stated the duties for the Seasonal Forestry Assistant have evolved to include additional responsibility including record keeping for grants, CEQA compliance and overseeing fuels management crews. In light of the increased responsibilities, the pay scale requires an adjustment.

Director Moll moved to approve the New Pay Scale and Job Description for the Seasonal Forestry Assistant. Director Forni seconded, roll call was taken, Yes: Directors Brown, Forni, Ives, Moll and Witherspoon. Noes: None. Abstain. None. Absent: None. The motion carried.

MARTIS VALLEY TRAIL SEGMENT 1B-2 – AWARD OF BID

DE Martin stated staff was out to bid for two weeks on the Martis Valley Trail (MVT) Segment 1B-2 project. MVT Segment 1B-2 picks up where the MVT left off in the valley and takes it to the wildlife viewing area. The District received four bids. McCuen Construction was the low bidder. The District has not worked with McCuen Construction, but they were highly recommended by CalTrans during a reference check, and they meet the qualifications required for award by the District. DE Martin recommends awarding the bid to McCuen Construction.

Director Ives moved to approve Martis Valley Trail Segment 1B-2 – Award of Bid to McCuen Construction in the amount of \$703,794.54. Director Witherspoon seconded, roll call was taken, Yes: Directors Brown, Forni, Ives, Moll and Witherspoon. Noes: None. Abstain. None. Absent: None. The motion carried.

MARTIS VALLEY TRAIL SEGMENT 1B-2 AND 3A – WASHOE TRIBE MONITORS

DE Martin stated there will be two Washoe Tribe monitors as a requirement of the Environmental Assessment and Historic Properties Treatment Plan. Lydell Wyatt and Steven Cruz will provide monitoring services during the construction of MVT Segments 1B-2 and 3A. All expenses are reimbursable through Placer County and/or grant funding.

Director Witherspoon moved to approve Martis Valley Trail Segment 1B-2 and 3A – Washoe Tribe Monitors. Director Ives seconded, roll call was taken, Yes: Directors Brown, Forni, Ives, Moll and Witherspoon. Noes: None. Abstain. None. Absent: None. The motion carried.

MARTIS VALLEY WATER SYSTEM – SOURCE WATER HYDROGEOLOGIC SUSTAINABILITY STUDY

DE Martin stated that due to the extensive development that has taken place in the communities of Lahontan, Martis Camp and Schaffer's Mill, water production has increased in proportion to the growth. Well water levels have been impacted by the increased aquifer pumping, and an overall trend of great depths to the water table are being experienced. The study would allow the District to understand the sustainability of the system and determine whether additional water sources should be pursued.

Director Forni inquired about source of water outside of the wells in Martis Valley Water System.

GM Staudenmayer stated that there are no surface water components to the Martis Valley Water System.

Director Moll moved to approve the Martis Valley Water System – Source Water Hydrogeologic Sustainability Study. Director Forni seconded, roll call was taken, Yes: Directors Brown, Forni, Ives, Moll and Witherspoon. Noes: None. Abstain. None. Absent: None. The motion carried.

OLANA PUMP STATION PROGRAMMABLE LOGIC CONTROLLER REPLACEMENT

DE Martin stated the Olana Pump Station is a critical piece of infrastructure inherited during the acquisition of Martis Valley Water System. The proposed replacement is for controls hardware and software at the Olana Pump Station. The hardware and software is no longer be supported by the manufacturer. The hardware used will match other recently upgraded hardware at District facilities and will allow spare processors to be shared across assets.

Director Moll moved to approve the Olana Pump Station Programmable Logic Controller Replacement in the amount of \$38,581. Director Ives seconded, roll call was taken, Yes: Directors Brown, Forni, Ives, Moll and Witherspoon. Noes: None. Abstain. None. Absent: None. The motion carried.

MEMORANDUM OF UNDERSTANDING TO ACQUIRE DIGITAL ORTHOPHOTOGRAPHY AND LIDAR DATA FOR THE TRUCKEE-NORTH TAHOE REGION

DE Martin stated every five years there is a Tahoe-Truckee public agency collaboration for digital orthophotography and LiDAR data for the region. By participating in the project, the District will receive Aerial Photography at 1-inch pixel resolution, LiDAR dataset at 1-foot resolution and GIS Feature creation including Building Footprints and Pavement Surface datasets.

Director Ives moved to approve the Memorandum of Understanding to Acquire Digital Orthophotography and LiDAR Data for the Truckee-North Tahoe Region in an amount not to exceed \$12,000. Director Forni seconded, roll call was taken, Yes: Directors Brown, Forni, Ives, Moll and Witherspoon. Noes: None. Abstain. None. Absent: None. The motion carried.

AUTHORIZATION TO RETAIN WAGNER & BONSIGNORE FOR EXPERT CONSULTANT SERVICES REGARDING DISTRICT WATER RIGHTS

District Counsel Austin Cho stated this request for authorization is to retain expert consultant services in furtherance of the District's efforts to perfect its water rights permits. The District shares two water right permits with Trimont Land Company, and the entities separately hold an additional permit each. The four permits operate jointly for municipal and recreational purposes. In 2018, the State Water Board issued notice to all water users within the Lake Tahoe and Truckee River Basins whose water right petitions were held in abeyance, to update and resubmit their petitions to be reviewed under the water allocations of the Settlement Act and the 2008 Truckee River Operating Agreement (TROA). A hearing is set for August 6, 2021 to consider the petitions with Trimont. The petitions are requesting for some additional time for Trimont to complete necessary construction and build out, and for the District to have additional development within the service area, in order to justify and warrant the full beneficial use of the water that is provided in the permits. Once the water use has been perfected, then the State Water Board would issue a permanent license.

Additional changes being sought would be to add snow making to all four permits, and to change the boundaries for place of use for the permits, to create consistency among the permits.

The State Water Board Administrative Hearings Office has asked petitioners to provide environmental documentation to show the changes sought will not result in any unwanted environmental impacts, and that no injuries will result to other users of the water, and also to be consistent with the (TROA). This will require expert testimony and environmental review, and Downey Brand sought Wagner & Bonsignore Consulting Civil Engineers (Wagner & Bonsignore) to provide environmental consulting to support the

District's compliance with CEQA and expert testimony as to the petitions' consistency with other legal water rights on the Truckee River System, the Settlement Act and, TROA.

The proposed scope of work provided by Wagner & Bonsignore is a comprehensive scope of work develop to cover any and all contingencies as testimony and supporting documents are developed for the water right hearing, including and up to an Initial Study and Mitigated Negative Declaration under CEQA. The proposed budget for the work is \$75,000, with additional biological resources work, if necessary, estimated to be between \$20,000 and \$30,000. Costs would be split under a cost-sharing agreement with Trimont pursuant to the 2015 Water Operation Agreement. Part of this authorization would request that the Board delegate authority to GM Staudenmayer to execute contracts prepared by Downey Brand on the behalf of the District for cost sharing with Trimont Land Company. The cost of the services is contemplated as part of the District's Fiscal Year 2021-2022 Budget.

Director Moll moved to approve the Authorization to Retain Wagner & Bonsignore For Expert Consultant Services Regarding District Water Rights. Director Ives seconded, roll call was taken, Yes: Directors Brown, Forni, Ives, Moll and Witherspoon. Noes: None. Abstain. None. Absent: None. The motion carried.

DIRECTOR REPORTS

There was no update for this agenda item.

GENERAL MANAGER'S REPORT – STAUDENMAYER

GM Staudenmayer provided the following report:

- Biomass Utilization project continues to move forward. Anticipating a zoning determination in the near future.
- Working on fuel pricing with Tahoe Truckee Sierra Disposal
- The US Army Corp. signed the real estate license agreement approved by Placer County for the MVT
- There are currently no state-mandated drought restrictions, but they are anticipated
- The District plans to hold the July Board Meeting in a hybrid in-person format with Zoom participation available
- The Administrative Office opened to the public June 15, 2021
- There will be a Special June Board Meeting to be determined in order to propose the approval of the tax ballot measure
- The community should be prepared for extensive power safety shut offs during Red Flag warnings, as a result of Nevada Energy's mitigation efforts to prevent wildfire

FIRE DEPARTMENT – BAILEY

Chief Bailey provided the following report:

- Record low fuel moistures indicate numbers typically seen at the end of August
- Red Flag warnings should indicate times of greatest concerns and extra efforts should be taken on an individual level to reduce threat
- Continuing to reach out to the insurance raters that provide ratings to insurance companies
- New seasonal firefighter has been hired
- Gas firepits are not allowed during Red Flag warnings

PUBLIC WORKS REPORT – MARTIN/RYAN

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

- DE Martin stated the District received another grant from Placer County Water Agency in the amount of \$250,000 for design, bringing the total amount of grant funding received for the Biomass Utilization project to \$500,000.
- The District is looking into implementation of electric charging stations at the Corporate Yard before Liberty Utilities incentives expire.

- Utilities Operation Staff has completed almost all reviews in the new Trakstar performance evaluation system.
- The Defensible Space set up at the dumpster site over Memorial Day Weekend was a really positive program. Utilities Operations staff received a lot of great feedback and staff was able to educate the public on questions they had on site.

FINANCE AND ADMINISTRATION REPORT – ROSENTHAL

DFA Rosenthal provided the following report:

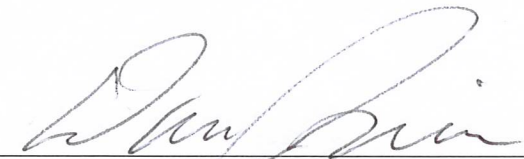
- Throughout the COVID-19 pandemic, and in addition to suspending water service disconnects under executive order N-42-20, the District has not been charging late fees on delinquent accounts. It is the recommendation of staff that the District reinstate penalty fees effective July 1, 2021. After discussion, the consensus of the Board was that the District will restore penalty fees for amounts billed after July 1, 2021 that become delinquent and re-establish water service disconnections as of October 1, 2021 consistent with the September 30 close of the emergency utility customer protections adopted by State of California resolution M-4849.

ADJOURNMENT:

The meeting adjourned at 11:56 A.M.

Respectfully submitted,



Julie Zangara, Secretary of the Board

Warren Brown, President of the Board