

MINUTES
TAHOE DONNER ASSOCIATION
BOARD OF DIRECTORS REGULAR MEETING
April 25, 2015
9:00 a.m.

A regularly scheduled meeting of the Board of Directors of Tahoe Donner Association was held at The Lodge at 12850 Northwoods Blvd., Truckee, California on Friday, April 25, 2015. President Jim Stang called the meeting to order at 9:00 a.m. The following Directors were in attendance, thus constituting a quorum of the authorized number of Directors of the Association:

Directors present: Jim Stang, President
Tom Johns, Vice President
Steve Miller, Treasurer
Ron Wulff, Secretary
Courtney Murrell, Director

Staff present: Robb Etnyre, General Manager
Mike Salmon, Director of Finance & Accounting
Annie Rosenfeld, Director of Facilities & Risk Management
Miah Cottrell, Computer Network Manager
Bonnie Watkins, Recording Secretary, Executive Assistant

A. ACTION: APPROVAL OF MINUTES

The Board received the preliminary minutes of the following for consideration:

- March 27, 2015 Regular Meeting Minutes

Director Johns made a motion and Director Stang seconded to approve the meeting minutes as presented. Motion passed 5-0

B. COMMITTEE MANAGEMENT

Architectural Standards – The Board was provided with the committee’s March 2015 Monthly Summary for review.

Covenants – The Board was provided with the committee’s March 2015 Monthly Summary for review.

Election – No report.

Finance – The Board was provided with the committee’s April 16, 2015 meeting report for review.

General Plan (GPC) – No report.

Construction Steering Committee - The Board was provided with the committee’s April 14, 2015 Meeting Minutes for review.

Equestrian Steering Committee – No report.

Land Management Plan Working Group Update – No report.

Tahoe Donner Giving Fund Committee: - The Board was provided with the committee’s April 6, 2015 Meeting Minutes for review.

All committee reports, with the exception of ASC and Covenants are attached to these minutes as Exhibit “A”.

C. ACTION: CONSENT CALENDAR

The Board was provided with the following items for consideration:

- Architectural Standards Fees
- TDA Giving Fund Committee Resignation (Zipkin)
- TDA Giving Fund Committee Grant
- Covenants Committee Alternate Appointment(Ermak)
- Covenants Committee Appointment (Ashcroft)

Director Wulff pulled the TDA Giving Fund Grant for discussion.

TDA Giving Fund Committee member Marilyn Disbrow explained that the original Tahoe Donner Charitable Fund under the umbrella of the Tahoe Truckee Community Foundation (TTCF) had a separate Tahoe Donner Employee Scholarship Fund, with funds amounting to \$925. In honoring the spirit of the scholarship fund, it is proposed that Tahoe Donner’s Charitable Giving Fund provide a \$1,000 scholarship from these original funds to a deserving student this year through the TTCF Scholarship grant process. And, that Tahoe Donner provide additional funds to round up the \$925 to \$1,000.

Following discussion, Director Johns made a motion and Director Stang seconded to approve the remaining Consent Calendar items as presented. Motion passed 5-0

D. SUSPENSION OF MEMBERSHIP RIGHTS

Director of Finance and Accounting Mike Salmon explained that the Association’s delinquent account policy prescribes that those members who have failed to bring current their assessment accounts face suspension of their membership rights. Under the current Civil Code, the Board is required to specifically authorize the recording of assessment liens against members’ properties. Therefore, along with the suspension of membership rights, the Board is also required to authorize the recording of such a lien if members remain delinquent with regard to the 2015 Regular Assessment as of May 1, 2015.

Following discussion, Director Wulff made a motion and Director Murrell seconded to approve the Suspension of Membership Rights as presented. Motion passed 5-0.

E. TRUCKEE SPECIAL SERVICE AREA-1 (TSSA-1) 2014-15 ASSESSMENT

Director of Facilities & Risk Management, Anne Rosenfeld, stated that the Board has been provided with a letter from the Town of Truckee requesting Board feedback on the amount and eligible projects for the TSSA-1 2014/15 Special Assessment. The letter outlines the current fund balance and what the funds were used for within the past year. Ms. Rosenfeld said the Board has also been provided with a memo from Dan Wilkins, Public Works Director and Town Engineer, and his Staff regarding an analysis on whether left turn-lanes are warranted on Northwoods Blvd. at Trout Creek Recreation Center and Tahoe Donner Clubhouse parking lots. Traffic volume and collision data was used to evaluate the appropriateness of left-turn lanes at both locations and the finding was that traffic volume warrants were not met under any of the conditions analyzed. However, while the turn lanes would not be eligible for the Town general funds, Ms. Rosenfeld continued, they would be eligible for TSSA-1 funds, should the Board want to make that recommendation.

A discussion ensued regarding the installation of radar speed signs in certain areas in Tahoe Donner.

Following discussion, Director Stang made a motion and Director Johns seconded to approve a draft letter to the Town of Truckee, with the modification of adding previously requested detail on radar speed signs at key locations within the Tahoe Donner subdivision for the 2015 Truckee Special Service Area fund project list. Motion passed 5-0

F. ACTION: DIRECTOR OF FINANCE & ACCOUNTING REPORT

Director of Finance & Accounting, Mike Salmon, provided the Board with a presentation on the Association’s unaudited preliminary March 2015 financial report, a complete set of which is attached to these minutes as Exhibit “B”.

Following discussion, Director Johns made a motion and Director Wulff seconded to approve the March 2015 unaudited preliminary financials as presented. Motion passed 5-0

All financial reports may be viewed on the Tahoe Donner Web site at: <http://www.tahoedonner.com/financials/>

TREASURER'S QUARTERLY REPORT

Treasurer Miller reported the following:

- Status of Investment Account Reconciliations:
 - At the end of March the Association has \$18 million in cash savings in the various funds.
 - Investments are in accordance with categories and limits.
 - Accounts are in order and comply with Association policy.
 - No irregularities were noted.
 - The Reserve Replacement Fund as of March 2014 was \$7.9 million and as of March 31st this year the fund is \$9.2 million.
- As Board Treasurer, Mr. Miller complimented the Finance Committee and Chairman Jeff Bonzon for the wisdom and foresight in electing to recommend a conservative approach in the development of this year's Operating Budget. By pricing \$98 per household, or \$638,000, for the possibility of poor winter revenue into this year's assessment, the Association's Operating Budget homeowner's equity currently stands at a positive \$593,000 and above our \$500,000 minimum target. Without having made this difficult decision last fall during the budget process, the Operating Budget homeowner's equity would be negative and the Association would be facing much more serious consequences as well as cuts in services.

(Break)
10:25 a.m.

The regular meeting reconvened at 10:35 a.m.

G. PRESENTATION: TRAILS PASS PROGRAM

The Board was provided with a Decision Paper outlining two options for a voluntary public Trails Pass Program for consideration.

General Manager Robb Etnyre explained that, during the 2015 budget process, the Board indicated interest in developing a donation based trail access fee for public use of the Tahoe Donner Trail system.

At the March 25, 2015 Board meeting, he continued, Director of Facilities & Risk Management Annie Rosenfeld provided a presentation on possible scenarios for a trails access fee. The Board directed that this concept be further refined in the proposal and it was placed on the agenda for consideration. The basic concept of the donation based access fee is that there should be a fee for public use of the trails, with members and guests continuing to be free. Staff recommends the consideration of Option 1 in the Decision Paper presented to the Board, whereby 'iron rangers' would be placed at the major trailheads with signage indicating donations for daily access for the public. Additionally, daily and season passes would be available at the Alder Creek Adventure Center, Bikeworks, and Member Services. This would be an honor system, with no Staff presence or Association monitoring. The idea, Mr. Etnyre said, is to create awareness in the part of the public that we have a great asset that requires protection and maintenance. Mr. Etnyre noted that the Association spends a lot of money on the improvement and maintenance of the trail system, which is paid for through our member's assessments; we're just asking the public users to voluntarily contribute to these efforts as well.

A lengthy discussion ensued regarding the pros and cons of having a voluntary or mandatory access fee program. Additionally, discussion took place regarding sign verbiage.

Following discussion, Director Johns made a motion and Director Miller seconded to approve the implementation of a summer trail pass program specific to non-member usage of Tahoe Donner's trails, as outlined in Option 1 of the Decision Paper: Public Season Pass and Daily Trail Pass - \$5 for adult and \$2 for child daily use, or \$30 for adult and \$15 for child summer season pass. Further, the signage should indicate that the program is a voluntary monetary contribution by the public to help support our trails. Motion passed 5-0

H. FORESTRY OPERATIONS

The Board was provided with a Decision Paper regarding Forestry Budget Approvals and Loss Recovery Measures for consideration.

General Manager Robb Etnyre explained that at the March 27th Board meeting Forester Bill Houdyschell provided the Board with presentation on the Forestry Operations and an overview of his five-year management plan as it relates to forest health and fire hazard mitigation measures, which are funded by the Operating Fund. Following that presentation, he continued, the Board had indicated they would like to further discuss Forestry's Budget and the Forest Management Plan at today's meeting, in particular the Defensible Space aspect of the management plan. This year, with the winter's shortfall, each department is tasked with 3.5 percent savings to their annual budget, as approved by the board of directors at the March 27, 2015 regular board meeting. The Forestry Department is tasked with achieving \$60,000 in loss recovery savings contributing to the Association-wide loss recovery effort target of \$350,000. Director of Facilities & Risk Management Annie Rosenfeld, with the assistance of Forester Bill Houdyschell, put together the Decision Paper before the Board, which outlines the different components of this year's budget.

The 2015 Forestry Operating Budget covers the following:

- Vegetation Management
- Administrative Support
- Tree Removal, Tree Advise, Dead Trees
- Private Lot Defensible Space Program
- Property Owner Chipping Program

Mr. Etnyre noted that 2015 Forestry Budget total is \$829,000. The 2015 Vegetation Management portion of the budget is 62 percent or \$517,372 of the total budget. The Vegetation Management includes the following:

- Plantation Fuel Breaks
- Fuel Break Stands
- Common Area
- Natural Stands/Forests
- Administrative/Staff Expense

Director of Facilities & Risk Management Annie Rosenfeld commented that, over the last ten years, we have spent over seven million dollars on Defensible Space. In recent years, she said, the Forestry Department was tasked with contributing to the overall Association loss recovery efforts. Work not completed in those years included a delay or slowdown of planned Common Area work in 2012 and 2014, and postponed mastication, and thinning work in 2012, which was moved to 2013. In order to achieve the loss recovery target this year, Mr. Houdyschell plans to either reduce the contract labor budget by that amount, or will reduce outside labor by that amount, Ms. Rosenfeld noted that in Mr. Houdyschell's presentation, he outlined the following priorities:

- To create fuel reduction and forested zones within:
 - Areas around homes (Common Areas)
 - Southwestern border areas – prevailing winds out of the southwest
 - Areas of suitable topography and soil type
 - Areas along main routes (System Roads)

A lengthy discussion ensued regarding the adequacy of the Defensible Space Program and the pros and cons of increasing the Forestry Department's budget for 2015.

Following discussion, Director Miller made a motion and Director Johns seconded to approve having the Forestry department operate with the approved 2015 Forestry budget of \$829,000 without a loss recovery target of \$60,000. Further, to approve an additional

\$40,000 allocation to the Forestry department out of the Operating Fund which is to be used this season for further defensible space work. Motion passed 5-0

I. NOXIOUS ACTIVITY

The Board was provided with an Information Paper regarding personal and commercial marijuana growing operations in Tahoe Donner.

Director of Facilities & Risk Management, Annie Rosenfeld, explained that there are a number of legal medical marijuana grow operations in the Tahoe Donner community. While the federal government does not recognize any acceptable medical use for marijuana, under California state law, marijuana for medical purposes is legal. Qualified patients are allowed to cultivate up to 6 mature or 12 immature marijuana plants. If the owner has a prescription to grow marijuana, she said, the State will not prosecute provided the grower stays within the proscribed limits. However, she noted, the Association's CC&Rs have a provision against noxious activities, so regardless of the legality of the marijuana plants under state law, their presence could potentially be viewed as a noxious activity. Ms. Rosenfeld stated that the CC&Rs also provide restrictions on business activities within the community – *No business or commercial activities of any kind shall be conducted in any residence, condominium or out building or any other portion of any residential or multiple family residential lot if those activities involve any of the following: exterior advertising, increased traffic, more than an insignificant number of deliveries of goods or other commercial materials, visible storage of goods or other commercial materials, excessive noise.* Ms. Rosenfeld pointed out that the Covenants Committee has discussed the issue of these grow operations, and due to the conflicts between State and Federal legality of growing marijuana, the committee is uncomfortable making a ruling at this time without further direction.

A discussion ensued regarding the conflict between the State Law allowing the medical use of marijuana and the Federal Law prohibiting the use or possession of marijuana for any reason. Further discussion took place regarding the application of the “Noxious Activity” rule to grow endeavors that impact may their neighbor’s enjoyment of their property.

Following discussion, by consensus, the Board approved obtaining a definitive legal opinion on how to treat and pursue such operations.

EXECUTIVE SESSION AND LUNCH

The Board adjourned to Executive Session at 11:50 a.m.

The Board reconvened to Open Session at 12:55 p.m.

EXECUTIVE SESSION REPORT:

Director Wulff reported that, in Executive Session today the Board discussed the following:

- The recording of, and reporting out of, Executive Session minutes. By consensus, the Board approved obtaining a legal opinion regarding this matter.
- The completion of the Alder Creek Adventure Center.
- Snowmaking equipment at the Downhill Ski Area and possible water usage issues.

FUTURE BOARD MEETING AGENDA ITEMS

The Board placed the following item on the May 30, 2015 Board Meeting Agenda:

- Snowmaking Update

ADJOURNMENT

Director made a motion and Director Wulff made a motion and Director Murrell seconded to adjourn the meeting at 1:15 p.m. Motion passed 5-0

Submitted by:

Bonnie Watkins, Recording Secretary

SECRETARY’S CERTIFICATE

I, Ron Wulff, Secretary of Tahoe Donner Association, do hereby certify that the foregoing is a true and correct copy of the minutes of the Tahoe Donner Association Board of Directors regular meeting held on April 25, 2015, as approved by the Board members in attendance and constituting a quorum at a duly convened subsequent meeting of the Board.

Ron Wulff, Board Secretary