

MINUTES
TAHOE DONNER ASSOCIATION
BOARD OF DIRECTORS REGULAR MEETING
February 28, 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 Saturday, February 28, 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

Directors absent:

None

Staff present:

Robb Etnyre, General Manager
Mike Salmon, Director of Finance and Accounting
Forrest Huisman, Director of Capital Projects
Miguel Sloane, Director of Operations
Annie Rosenfeld, Director of Facilities & Risk Management
Bonnie Watkins, Recording Secretary, Executive Assistant

**DISCUSSION: TOWN OF TRUCKEE YARD WASTE CURBSIDE
COLLECTION PROGRAM SURVEY**

A lengthy discussion took place regarding the Town of Truckee's proposed curbside yard waste collection program and the current on-line survey that was launched to gauge community interest in the new program. The Board and members present weighed in with their thoughts on the proposed program. Some of the relevant points mentioned during discussion follow:

- The proposed every-other-week service and actual container size is a substantial reduction to the current overall curbside service. The current service allows for 4 green bags per week curbside for yard waste collection and the proposed container holds the equivalent of two bags.

- Tahoe Donner Covenants and Restrictions do not allow for containers such as the proposed 96-gallon container to be stored outside, and requires that they be stored within an enclosed storage area. Where would most owners be able to store such a large container from view?
- As 80 percent of Tahoe Donner property owners are second homeowners who would not be here on collection day, how would the containers be removed from the street? This would be a useless service for anyone who doesn't live here full time. Second-home owners' cans could be left sitting by the street for weeks and incur fines by the Association.
- Property owners will still have to use plastic bags to collect, transport and store their needles.
- The Town's communication effort on the new program has been extremely limited.
- While the proposed service is practical for urban areas, it is absurd for a community like Tahoe Donner.
- Of the 550 respondents to the Town's survey, 300 were Tahoe Donner property owners; with over 60% of respondents not in support this kind of service.
- A question was posed regarding whether this is the Town's proposed program or the Tahoe Truckee Sierra Disposal's (TTSD) program. It was pointed out that TTSD is under contract by the Town of Truckee to deliver this service and they dictate the terms. In response to the problem of the accumulation of piles of green bags in the summer in Tahoe Donner, the Town requested that the TTSD do something more to alleviate the piles of bags issue.

Following discussion, Director Johns made a motion and Director Miller seconded to approve the following:

As provided for in Civil Code §4930(d), the Board approves adding this item to the agenda for action, finding that there was a need to take immediate action and that the need for action came to the attention of the Board after the agenda was properly posted and distributed. Motion passed 5-0

Following further discussion, Director Johns made a motion and Director Miler seconded to approve sending a letter to the Truckee Town Council expressing opposition to the proposed Town of Truckee Yard Waste Curbside Collection Program. Motion passed 5-0

A. ACTION: APPROVAL OF MINUTES

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

- January 24, 2014 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 January 7, 2015 Meeting Minutes for review.

Covenants – The Board was provided with the committee’s January 8, 2015 Meeting Minutes for review.

Election – No report.

Finance – The Board was provided with the committee’s February 12, 2015 meeting report for review.

General Plan (GPC) - The Board was provided with the committee’s February 13, 2015 Meeting Minutes for review.

Construction Steering Committee - The Board was provided with the committee’s February 12, 2015 Meeting Minutes for review. Director of Capital Projects Forrest Huisman provided an update on the status of the Alder Creek Adventure Center.

Equestrian Steering Committee – The Board was provided with the committee’s February 20, 2015 meeting notes for review.

Land Management Plan Working Group Update - The Board was provided with the committee’s January 14, 2015 Meeting Minutes for review.

Tahoe Donner Giving Fund Committee: - The Board was provided with the committee’s February 2, 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:

- 2015 Director Election Procedures
- TechnoGym Elliptical Equipment (Replacement Reserve Funds)
- TDGF Committee Alternate Resignation (Woodward)
- TDGF Committee Alternate Resignation (Murray)
- 2015 Golf Rates

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

D. ACTION: MAY 23, 2015 BOARD MEETING

Following further discussion, Director Johns made a motion and Director Miller seconded to approve changing the May 23, 2015 Board Meeting to May 30, 2015. Motion passed 5-0

Following discussion, Director Johns made a motion and Director Miller seconded to approve changing the March 28, 2015 Board Meeting to March 27, 2015. Motion passed 5-0

E. ACTION: POLICY RESOLUTION 2015-2 MAINTENANCE OF TAHOE DONNER ASSOCIATION'S TAX EXEMPT STATUS

Finance Committee Chair Jeff Bonzon provided the Board with a review of the processes undertaken by the Finance committee and the Resolution Review Subcommittee in revising Resolution 97-8 - Policy Regarding the Maintenance of Tahoe Donner Association's Tax Exempt Status.

Mr. Bonzon noted that Resolution 97-8 - Policy Regarding the Maintenance of Tahoe Donner Association's Tax Exempt Status was established to protect the favorable financial benefits of Tahoe Donner's qualification for income tax exempt status as a 501(c)(4) organization. Mr. Bonzon explained that the main issue the committee had with the policy was the perceived overly restrictive statement in Resolution 97-8 that limits Board of Directors ability to influence elections; specifically, "*Undertaking no direct or indirect intervention or participation in political campaigns for or against candidates for office*". Subsequent Finance Committee meetings and independent discussions resulted in the suggestion to strike the restrictive sentence entirely. However, eliminating the statement leaves the policy with no guidance at all as to what is considered appropriate political activity by the Board.

After significant discussion regarding that portion of the policy, it was the consensus of the

Finance Committee that the specific prohibition regarding “political activity” by Tahoe Donner was not appropriate in this resolution, since there may be circumstances under which political activity is necessary to protect the Association and our members’ property values. Further, it is the Finance Committee’s view that the current statement be replaced with a broader one that requires Tahoe Donner to adhere to the IRS Tax Code to determine how we should act in order to preserve our Tax-Exempt status.

Therefore, the Finance Committee included the following in the new 2015-2 Policy Regarding the Maintenance of Tahoe Donner Association’s Income Tax Exempt Status:

“Adhering to Treasury Regulations and the Internal Revenue Code requirements related to the Association’s tax-exempt status, undertaking no activity, political or otherwise that will jeopardize that tax exempt status.”

Following discussion, Director Johns made a motion and Director Stang seconded to approve Policy Resolution 2015-2 Maintenance of Tahoe Donner Association’s Income Tax Exempt Status, conditioned on review by the Association’s legal counsel. Motion passed 5-0

**Break
(10:25 a.m.)**

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

F. ACTION: DIRECTOR OF FINANCE & ACCOUNTING REPORT

Director of Finance and Accounting, Mike Salmon, provided the Board with a presentation on the Association’s unaudited preliminary December 2014 and January 24, 2015 financial reports, complete sets of which are attached to these minutes as Exhibit “B”.

Following discussion, Director Johns made a motion and Director Stang seconded to approve the December 2014 and January 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/>

BREAK
(10:25 A.M.)

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

G. DISCUSSION: PAPERLESS BOARD MEETINGS

The Board was provided with an Information Paper regarding transitioning to a Web based solution for paperless meeting materials.

Executive Assistant Bonnie Watkins explained there are basically two options for hosting a Web-based solution in order to have paperless Board books: cloud-based or on-premise. Cloud hosting involves a number of virtual servers hosted by a third-party cloud service provider, while on-premise hosting involves an organization's own servers and internal networks.

In comparing cloud versus on-premise hosting choices, on-premise hosting vendors utilize a Microsoft SharePoint® interface, which the Association already has. One such on-premise hosting vendor is Pervacent, which offers a "Board Papers" Microsoft SharePoint® interface that is accessed through an iPad. The software can be installed for a flat rate of \$3,000 per year, inclusive of all maintenance, training and upgrades. The software allows the creation of meeting agendas and Board meeting documents in Microsoft SharePoint® to build board packs. Documents are automatically downloaded to Director's iPads; with the ability add notes, signatures, bookmarks, highlights and free draw on the digital board pack.

Pervacent can install the server component on our server as part of a free 30-day trial period. After the trial period is completed, they would invoice the Association. Tahoe Donner could decide at that time whether to continue using or de-install the application. It was noted that the Pervacent Microsoft SharePoint® interface can be utilized only through iPad, no other devices.

Following discussion, by consensus, the Board directed Staff to further explore the utilization of a digital board portal solution for Board meeting materials.

H. SNOWMAKING EQUIPMENT AT DOWNHILL SKI AREA

General Manager Robb Etnyre stated that the Board has been provided with three Information Papers for review; Membership Outreach, Snowmaking Capital Cost and Funding Mechanisms, and February 20th Town Hall Meeting Results. This item is on the agenda today with the purpose of providing the Board with a project schedule and cost projections for snowmaking efforts at Tahoe Donner. The intention is to bring this item back for discussion and potential action at the March 27, 2015 Board meeting. Mr. Etnyre mentioned that further snowmaking information, including copies of the articles from both February and March Tahoe Donner News, several reports and videos can be viewed on the Association's Web site.

General Plan Committee member Michael Sullivan provided a review of the Membership Outreach efforts for the proposed project that included:

- To demonstrate the sound levels heard from snowmaking equipment, Tahoe Donner Downhill Ski Area had a snowmaking sound demonstration on Feb. 14th & 15th, with 136 attendees.

- Presented the entire snowmaking report at a Town Hall Meeting on February 20, with approximately 85 attendees.
- Notifying through direct mailing to 400 properties surrounding the ski area, of the demo and Town Hall meeting.
- Including several articles and reports in the Tahoe Donner News.

Director of Operations Miguel Sloane provided further highlights of the Membership Outreach efforts that included:

- At the sound demo at the Downhill Ski Area, 11 comment cards were filled out of which 8 were in favor, 2 opposed, and 1 was inconclusive.
- Following the hour and a half Town Hall presentation, Staff fielded questions and comments. We also received 3 comment cards at the meeting – all were in favor of the project.
- Our Weekly Email blasts resulted in 40 email replies from the membership of which 22 were in favor, 10 opposed, and 9 did not take a position. Of those opposed, the top three reasons were: 1) Not financially prudent, 2) Too loud, and 3) It is too warm to make snow. Interestingly, of the 22 emails in favor of the project, 5 alluded to the concept of expanding the project for the entire hill.

Director of Capital Projects Forrest Huisman provided a review of the Capital Costs associated with the project that included:

- Communications are underway with licensed engineers, system designers, qualified contractors, and the Truckee Donner Public Utility District, in anticipation of preparing a development plan.
- Pre-ordering necessary equipment in April 2015 for a fall permitting and construction.
- The initial cost estimates from suppliers included a 6-inch metered valve to connect to the TDPUD water supply. We believe that Tahoe Donner already owns a valve that is not being used and can be moved to the Downhill Ski Area, which may lower the capital costs.
- Combining all project costs for design, engineering, permitting, construction, and pre purchase of long lead-time items, the total development expenditure equals \$750,000.

Director of Finance & Accounting Mike Salmon provided a review of the project funding options that included:

- The Development Fund is currently substantially drawn down due to the recent construction of the Alder Creek Adventure Center. However, due to the timing delays and other spending forecast changes, there appears to be adequate funds in 2015 to cover the snowmaking project expenditure.

- The \$724,000 forecast December 31, 2015 Operating Fund members' equity balance less \$500,000 Operating Fund, policy "minimum" balance equals \$225,000, which is a potential source of funds for the project.
- Utilizing the Replacement Reserve Fund is also an option. Per California law, the Board can authorize the temporary borrowing of money from this fund. The borrowing should be made by formal resolution, and the resolution should include that the payback to the fund should be within one year. The fund balance is \$6.1 million as of year-end December 31, 2014 and these are adequate funds to cover the entire snowmaking expenditure on a temporary basis.
- In order to fund snowmaking capital investment of \$750,000 through the Development Fund in 2015, the recommendation is:
 - Currently, we forecast sufficient funds in the Development Fund project in 2015 to fund the project.
 - Contingency 1 Funds – Transfer up to \$225,000 from the Operating Fund to the Development Fund in 2015.
 - Contingency 2 Funds - Temporarily borrow from the Replacement Reserve Fund, with repayment in 2016.

Break
11:40 a.m.

The regular meeting reconvened at 11:45 a.m.

I. DISCUSSION: STRATEGIC PLAN & GOALS UPDATE

General Manager Robb Etnyre provided the Board with a revised draft copy of 2015–2020 Strategic Plan Goals for review. He noted that the individual goals were reviewed with the Board at the January 24th Board meeting, with the Board providing their input. He said what has been added to the document are two paragraphs after each goal and sub-goal indicating his interpretation of what that goal is, along with measurements and definitions of specific approaches or strategies to achieve these goals. Mr. Etnyre explained that the last five years have been an expansion period for Tahoe Donner, with land acquisitions and many capital projects. In moving forward with the next 2015-2020 goals, he continued, rather than expansion initiatives, Strategic Plan Goals are focused on consolidation of our core infrastructure while enhancing what we are already doing.

The Board indicated that they would further review the 2015-2020 Strategic Plan Goals and provide input back to Mr. Etnyre.

GENERAL MANAGER'S REPORT

Nextdoor:

Mr. Etnyre discussed Nextdoor, a private social network currently being used by Tahoe Donner members. Robb explained that this is a homeowner forum, not a forum for Tahoe Donner as a business. While the majority of the information being shared on the site relates to selling or giving away items, local events, services, et cetera, sometimes included are HOA items. For the most part it seems to be self-regulated, with some of the more informed owners weighing in on issues that come up. We decided to continue monitoring the site, but not reply on Nextdoor. However, if something is noticed on a recurring basis that is not properly addressed by other members, we will consider including clarifying information on necessary topics week to week using our existing member news email blast. It was pointed out that employees that are also Tahoe Donner homeowners should not reply on Nextdoor in their work capacity.

Internet Service Provider Options:

Over the recent holiday period, our membership had an increased interest regarding the sub-standard internet service for homes here in the subdivision. The Board was provided with a document outlining the current options for internet service providers in Tahoe Donner. A copy of the "Internet Service Provider Options" is attached to these minutes as Exhibit "C".

EXECUTIVE SESSION AND LUNCH

The Board adjourned to Executive Session at Noon.

The Board reconvened to Open Session at 1:00 p.m.

EXECUTIVE SESSION REPORT:

Director Wulff reported that, in Executive Session today, the Board discussed legal and contract matters as well as cost-recovery measures.

FUTURE BOARD MEETING AGENDA ITEMS

The Board placed the following items on the March 2015 Board Meeting Agenda:

- Snowmaking at the Downhill Ski Area
- Auditors Report Fiscal Year 2014
- Architectural Standards Fees

ADJOURNMENT

Director made a motion and Director Wulff made a motion and Director Johns seconded to adjourn the meeting at 1:20 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 February 28, 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