

**BOARD APPROVED**

<p><b>MINUTES</b> <b>TAHOE DONNER ASSOCIATION</b> <b>BOARD OF DIRECTORS REGULAR MEETING</b> <b>April 21, 2012</b> <b>9:00 a.m.</b></p>	<p><b>ACTION ON</b> <u>5-19-12</u> <i>[Signature]</i> <b>VERIFIED</b> <b>E.A. - TDA ASSOC.</b></p>
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A regularly scheduled meeting of the Board of Directors of Tahoe Donner Association was held at The Lodge Restaurant, 12850 Northwood's Blvd., Truckee, California on Saturday, April 21, 2012. President Knisley 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:** Suzy Knisley, President  
Tom Johns, Vice President  
Ron Wulff, Treasurer  
Steve Miller, Secretary  
Jay Lempinen, Director

**Directors absent:** None

**Staff present:** Robb Etnyre, General Manager  
Miguel Sloane, Director of Operations  
Director of Facilities, Annie Rosenfeld  
Forrest Huisman, Director of Capital Projects  
Bonnie Watkins, Recording Secretary-Executive Assistant

**MEMBER & DIRECTOR COMMENTS**

There were no member comments.

Director Wulff requested that "Golf Course Task Force" be added to the May 19<sup>th</sup> Board meeting agenda.

**A. APPROVAL OF MINUTES**

The Board received the preliminary minutes of the February 25, and March 24, 2012 regular meetings for consideration.

Following discussion, Director Wulff made a motion and Director Johns seconded to approve the February 25, 2012 meeting minutes as amended. Motion passed 5-0

Following further discussion, Director Johns made a motion and Director Lempinen seconded to approve the March 24 meeting minutes as amended. Motion passed 5-0

## **B. COMMITTEE MANAGEMENT**

**Architectural Standards** – The Board was provided with the committee’s March 21, 2012 meeting minutes for review.

**Covenants** – Covenants Committee Chair Al Noyes stated that, in an effort to educate Tahoe Donner renters about the Association’s rules, the committee is currently working on an educational package outlining the Association’s rules to provide to owners that rent their properties. Additionally, the committee is working on signage for Tahoe Donner that will inform the public of potentially dangerous fire situations.

**Elections** – Election Committee Chair Nan Carnal reported that the committee met on April 17<sup>th</sup> and reviewed the proposed 2012 Election Package that will go out to the membership in May. The committee also revised its calendar for advertising the upcoming election. She reported that, thus far, two property owners have picked up Election Packages.

**Finance** – The Board was provided with the committee’s April, 2012 meeting summary for review. Chair Jeff Bonzon reviewed the following highlights of the summary with the Board:

- The committee was provided with a review of the Preliminary March Financials by Director of Finance and Accounting Mike Salmon. While we have a large budget deficit year-to-date, April looks to have potential for pick up and there is still an opportunity to improve on the budget this summer..
- The committee was provided with a 20 page rough first draft of a proposed Annual Budget Report, which will be included in the May issue of the Tahoe Donner News.
- 2012 Golf Rates and Metrics were discussed. All committee members concurred that volume increase by members is vital to the success of the operation. The committee discussed with Men’s Golf Club President Ralph Shindler regarding the golf club’s assistance in encouraging guest and member play on the course. By consensus, there was support for a Board-directed Golf Task Force. The Golf Task Force would need direction from the Board regarding specific goals and proposed outcomes.
- The committee discussed its current Board assigned tasks and next priorities, including revising the Replacement Reserve Fund and Financial Planning policies.

**General Plan (GPC)** – The Board was provided with the committee’s April 2, 2012 meeting summary for review.

## **COMMITTEE COORDINATOR UPDATE**

The following committees currently have vacancies:

- Covenants – 3 Alternates
- General Plan Committee – 1 Alternate

### **C. DISCUSSION: ASC & COVENANTS COMMITTEE RULES REVIEW WITH BYLAWS**

The Board requested a review of the Restated Covenants and Restrictions and the Architectural Standards Rules, Procedures and Restrictions for Land Use for the purpose of identifying any potential conflicts between the two documents. Management reported to the Board that, following a thorough review of these documents, they identified no further conflicts.

### **D. DISCUSSION: FINE SCHEDULES**

The Board was provided with a copy of the Association's current fine schedules for review.

Director Wulff explained that he placed this item on the agenda because he wanted to review all the Covenants Committee and Architectural Standards Committee fine levels, but specifically with regards to fires, fireworks, and other fire hazards. He indicated that many of the fines are far too low. He then reviewed some of the current fines that he believes are in need of updating. He indicated that, in his opinion, fines for fire related violations should be high enough to be a deterrent.

A discussion ensued regarding possible modifications to the various fines in the schedule.

Director Knisley suggested that it might be appropriate for the Covenants Committee to review the current fines and make recommendations for increases. Director of Facilities & Risk Management Annie Rosenfeld interjected that one course of action for the Board to consider in establishing appropriate fine levels would be to benchmark with other associations' fine schedules. She indicated that Staff could work with the Covenants Committee to obtain this information and make recommendations to the Board at a future Board meeting.

Following further discussion, Director Johns made a motion and Director Wulff seconded to increase the fines associated with the Fire Safety and Fireworks and Fire Arms Rules to a minimum fine of \$1,000 to a maximum of \$5,000 per incident and directed Staff to publish said rule change to the membership for the required 45-day member comment period. Motion passed 5-0

**E. DISCUSSION: UNAPPROVED SIGNS IN TAHOE DONNER**

The Board was provided with the Association's Commercial Sign Regulation Policy for review.

Director Wulff stated that he has observed signs around the Association that do not comply with the Association's established sign policy, and he agendized this item to discuss the issue and what can be done about it. He noted that, not only are there commercial signs in non-compliance, there are Tahoe Donner signs that deviate from the policy as well. He pointed out that an example of a non-compliant Tahoe Donner sign would be the temporary banner sign at Snowplay in the winter. As far as commercial signs around the community that are non-compliant, there are several real estate signs and even house numbers attached to trees.

A discussion ensued regarding the pros and cons of allowing certain Tahoe Donner signage to deviate from the current policy color requirements.

Robb Etnyre explained that, as far as Tahoe Donner's signs, our Governing Documents are silent on the requirement of sign color, and it is actually in our best interest to maintain that flexibility. Obviously, a blue banner advertising that an amenity is open will draw more attention than a regulation brown and white sign. However, Etnyre continued, as appropriate, we limit use of color in designated areas.

Director Wulff responded that he objected to the Association being allowed to deviate from the rules and that he would rather be consistent in the application of Association rules.

Discussion took place regarding the pros and cons of strictly enforcing the sign policy and the processes in place for monitoring and enforcement of non-compliant sign issues.

Director of Facilities & Risk Management Annie Rosenfeld pointed out that the Association's C&R's contain procedures for applying for a variance on signs and, as a business, the Association follows this process.

Following further discussion, the Board took no action on this item.

**F. ACTION: CONSENT CALENDAR**

The Board was provided with the following items for consideration:

- Finance Committee Appointment (King)
- Amenity Guest Access Policy – Golf

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

## **G. DIRECTOR OF FINANCE AND ACCOUNTING REPORT**

In the absence of Director of Finance and Accounting, Mike Salmon, General Manager Robb Etnyre provided the Board with a presentation on the Association's unaudited preliminary March 2012 financial reports, a complete set of which are attached to these minutes as Exhibit "A".

Mr. Etnyre stated that this information is readily available to Owners at [www.tahoedonner.com](http://www.tahoedonner.com).

Director Knisley inquired about the budget reduction for the Forestry Department and how it will affect the Defensible Space program.

Mr. Etnyre responded that initially the Forestry Department was budgeted at \$800,000 for the year, with funds going towards the first of an eight year defensible space inspection cycle along with a wide variety of other long term forest management efforts. However, significant savings could be achieved toward reducing the current budget deficit by pushing off the inspection cycle to 2013 and modifying some portions of the previously planned forest management work. He explained that, having just completed a four year inspection cycle, and common area fuel reduction program, it would be safe to delay for one year. By modifying the Forestry Programs, he said, we can save \$420,000 this year, which would help to significantly offset the lost revenue from a record mild winter, thus reducing the potential assessment impact to the membership in 2013. Additionally, this recommended and planned budget reduction to the Forestry Department is part of the larger cost savings measures previously brief to the Board to address the significant budget shortfalls of this winter.

Director Johns indicated that he has serious concerns about cutting the Forestry Department's Budget. He pointed out that it was a very dry winter, making defensible space even more of an issue than last year. Additionally, he said, there is the newly acquired Euer Valley property that needs attention. While keeping the deficit as low as possible is important, he continued, he doesn't feel that Forestry maintenance is a place we can afford to cut.

Director Wulff commented that the recommended reduction to the Forestry Department budget is \$400,000, or half their budget, and this was concerning. Mr. Etnyre stated that most of the cost savings will be from the reduction in the Chipping Program and the expenses associated with contract crew labor. He explained that the association will still be hiring a seasonal work force to perform maintenance work in various areas as well as run a twice a week chipping program to address home owner property work. Mr. Etnyre stated that making reasonable adjustments in these areas for a year will allow the Association to close in on the large deficit and avoid the necessity of increasing the Annual Assessment or Special Assessing property owners.

Director Knisley pointed out the possibility of applying for grant money, such as the one Lake Tahoe recently acquired to clear dead wood.

A discussion ensued regarding the Association's ability to obtain Forestry grant funds. Mr. Etnyre stated that Tahoe Donner has a \$50,000 grant that it will be executing this year, and Bill Houdyschell is looking at a couple of grants a year or two out that are very significant.

Annie Rosenfeld pointed out that the cost saving measures in the Forestry Programs was developed with the assistance of Forester Bill Houdyschell. He was instrumental in identifying work that must be done this year and those that can be delayed. She said there will still be defensible space work going on this summer in the common areas which were not previously addressed, and crews will still be removing dead and hazardous trees throughout the common areas and in the Euer Valley. Additionally, we will be planting a large quantity of new trees to the south slope area burned in 2003. Ms. Rosenfeld stated that the greater concerns for Mr. Houdyschell are the newly acquired properties on the south and west of the Association, and he plans to focus on these critical areas that pose a serious fire threat.

Director Knisley pointed out the importance of maintaining a healthy forest, especially considering the dry conditions that have been created by the lack of snowfall this past winter. She indicated that this summer will likely be a high forest fire danger season, and she was not in favor of cutting the Forestry Budget.

A lengthy discussion ensued regarding the pros and cons of cutting the Forestry Department's budget, possible impacts associated with delaying the defensible space and mastication programs, and the need to address the current budget deficit.

Following discussion, Director Wulff made a motion, and Director Knisley seconded, to put the eight year defensible space inspection cycle back in the Forestry Departments budget. Motion passed 4-1 (Miller Abstained)

**Break**  
**10:40 a.m.**

The regular meeting reconvened at 10:50 a.m.

**DISCUSSION: DIRECTOR OF FINANCE AND ACCOUNTING REPORT**  
**CONTINUED:**

The Board continued their discussion of the Forestry Department's budget.

Following discussion, Director Miller made a motion and Director Knisley seconded to maintain the Forestry Budget at the \$800,000 level for 2012 Budget. Motion passed 5-0

## **TRESURER'S QUARTERLY REPORT**

Treasurer Ron Wulff provided the Board with a report on the status of the Association's investments funds. Highlights of the report follow:

- The Association's first priority is Capital Preservation, and all Association accounts are insured by FDIC.
- Currently there is 8.4 million in CD's and 7 million in US Treasure's.
- Interest rates continue to be dismal at roughly .5%
- This quarter \$450,000 was expended from the Replacement Reserve Fund and \$754,000 from the Development Fund.

## **H. DISCUSSION: TRAILS MASTR PLAN**

Director of Facilities Risk Management, Annie Rosenfeld, provided the Board with a review of a proposed Trails Master Plan. Highlights of the review follow:

- The purpose of the Trails Master Plan is to provide long-term guidance for trail planning, management, maintenance, and funding.
- A well planned trail system benefits the surrounding community in many tangible and intangible ways.
- The plan, as written, covers the Association trails within the boundaries of Tahoe Donner and possible connections with other trail networks in the area. Any newly acquired property will be included into the plan and subject to the standards and guidelines set forth in the plan.
- During the development of the 2030 General Plan, the General Plan committee Trails and Open Space sub-group prepared a working paper that detailed the Committee's recommendation for open space land purchases to expand homeowners' recreational opportunities. There were also operational recommendations including human resource allocation dedicated to the trail system as well as increased focus on the trail system through the Operational and Capital Budgets.
- The Trails Master Plan was developed to be used as a long-range planning tool to establish guidance and a framework to address the extensive trails network, identify standards for the trail system, and recommend a path to achieve the goals identified for the trail system. The plan does not provide, nor attempts to address, all of the issues facing the trail system; rather it provides a general guideline for the long-term that allows for detailed planning from year to year.

Following Ms. Rosenfeld's review of the Trails Master Plan, she received comments, suggestions and questions from the Board. The Board complemented Ms. Rosenfeld on creating an excellent document.

A copy of the Trails Master Plan is attached to these minutes as exhibit "B".

## **I. ACTION: SUSPENSION OF MEMBERSHIP RIGHTS**

The Board was provided with a memorandum from Executive Assistant Bonnie Watkins regarding the Suspension of Membership Rights and Authorization to Record Liens for consideration.

The memorandum explained that each year the Association's delinquent account policy prescribes that those members who have failed to bring their assessment accounts current face suspension of their membership rights and are disallowed from participating in the 2012 Director Election, either as a voter or candidate.

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 was called upon to authorize the recording of such a lien if members remain delinquent with regard to the 2012 Regular Assessment as of May 1, 2012.

Following discussion Director Wulff made a motion and Director Miller seconded to approve the suspension of membership rights and the recording of Assessment liens for members who have not satisfied their financial responsibilities to the Association as presented. Motion passed 5-0

## **EXECUTIVE SESSION AND LUNCH**

The Board convened to Executive Session at 11:30 a.m.

The Board reconvened to Appeal Hearing at 1:00 p.m.

The Board reconvened to open session at 1:30 p.m.

## **EXECUTIVE SESSION REPORT**

Director Miller reported the following: The Board met in Executive Session on March 24 to discuss contracts, the Board met in Executive Session on April 20 to discuss legal matters and contracts, and the Board met in Executive Session today to discuss contracts and legal matters.

## **J. DIRECTOR OF CAPITAL PROJECTS REPORT**

Director of Capital Projects, Forrest Huisman provided the Board with a report on the Association's Capital Projects. Highlights of his report follow:

- The Lodge
  - Architects are producing drawings necessary for potential July 4<sup>th</sup> completion for the Grotto bar and grill areas.



- Architects will coordinate ideas and produce drawings for work starting mid-September for a covered bar deck, snack bar renovation, and for a kitchen remodel to accommodate additional table business.
- Architects will provide future planning for a Banquet Facility at rear terrace, while maintaining the existing wedding area and outdoor terrace space. This will remove the need for the white tent.
- Beach Club Marina
  - Architects are working to produce a master plan for review by the May General Plan Committee meeting. The upper terrace area is to be lowered and enlarged to accommodate ADA access, larger gatherings, and weddings.
  - There will be a new stone terrace at the lower grass lawn, which will be flush with a future deck and bar.
  - Parking will be improved along Donner Pass Road and new signage at the entrance.
- Forestry Facility
  - Working drawings for this remodel have been submitted to Nevada County for review.

The Director of Capital Projects report is attached to these minutes as Exhibit "C".

**DISCUSSION/ACTION: CROSS COUNTRY CENTER DRAFT FACILITY PLAN**

The Board was provided with a presentation by Director of Capital Projects, Forrest Huisman, and Director of Operations, Miguel Sloane, regarding an initial draft facility plan for the new Cross Country Center. Highlights of the presentation follow:

- Planning Process and General Topics for The Cross Country Lodge:
  - Gather amenity priorities from Homeowners.
  - Establish a list of proposed activities and operations.
  - Define financial implications and total development budget.
  - Review historic visitor count and forecast for future growth.
  - Prepare a comparison of existing and proposed space needs.
  - Determine space adjacencies and prepare bubble diagrams.
  - Conceptualize circulation with schematic site and floor plans.
  - Define the scope and budget within established priorities.
  - Consider facilities with similar or comparable programs.
  - Investigate architectural scale and appropriate details.
- Financial Implications and Total Development Budget:
  - Operations costs are estimated to increase by six percent with the new facility at an assumed 16,000 square feet.

- Development budget is estimated at \$450 per square foot and includes:
  - Vertical and Horizontal Construction Costs.
  - Architectural, Engineering, and consultant Fees.
  - Local, County, and State Agency Fees

Following the presentation, considerable discussion was generated over the proposed building components and size of the operation.

The Board expressed concern over the project budget and the possibility that the square footage represented in the drawings seems higher than necessary. Director Knisley suggested that there is a need to scale down the square footage.

Staff received a number of comments and suggestions from the Board on the various elements in the plan and indicated that the next step in the plan process is to obtain feedback from the General Plan Committee and Subgroup. The next GPC meeting is scheduled for April 30<sup>th</sup> at Northwoods Clubhouse.

Following further discussion, the Board indicated that they would provide Staff via email with three suggestions from each Board member regarding the proposed building.

A copy of the Cross Country Center Draft Facility Plan presentation is attached to these minutes as Exhibit "D"

**L. DISCUSSION: TRUCKEE SPECIAL SERVICE AREA (TSSA-1)**

(The Board placed Agenda item "K" later in the meeting.)

General Manager Robb Etnyre provided the Board with a presentation on the TSSA-1 Funds. Highlights of the presentation follows:

- Town Pavement Management Plan –Currently Under Review:
  - TSSA -1 Service area enhanced pavement management plan calls for 3 year slurry seals and 15 year road overlays.
  - Town of Truckee roads are on a 5 year slurry seal and 20 year overlay schedule.
  - The Town funds road maintenance from the following: Measure A-37 miles of road, Measure V, General Fund, & TSSA funds
- TSSA -1 Fund Balance
  - \$5.2 Million Dollar Balance
  - \$70 per unimproved lot, \$95 improved = \$589,000 per year. Annualized enhanced cost = \$304,000
- Current allowable /eligible uses of TSSA-1 funds:
 

Allowable uses of funds must be established by the Town each year in advance of the special assessment being collected.

  - Road maintenance - \$5.2 million

- Trail projects that directly benefit the TSSA 1 service area - \$1,767,000 eligible
- Parking improvements in the Town right-of-way which provide direct benefit to the residents of the TSSA-1 service area, and which are open to the general public - \$1,178,000 eligible
- Tahoe Donner Cross Country off-site parking improvement.
- Tahoe Donner Marina roadside parking improvements.
- Possible options for TSSA-1 Funds:
  1. Request Town of Truckee program funds to construct both trail #11 & #13
  2. Request Town of Truckee program funds to construct trail #13
  3. Request Town of Truckee program funds to construct the first phase of trail #13
  4. Request Town of Truckee program funds to construct trail #11
- Staff's recommendation:
  - Option #3- while still maintaining an enhanced TSSA -1 service level and Town-wide equitable funding level of pavement management.

Following discussion, Suzy Knisley made a motion and Tom Johns seconded to approve Option #3 requesting that the Town of Truckee utilize TSSA-1 Funds to construct the first phase of trail #13, while still maintaining an enhanced TSSA -1 service level and Town-wide equitable funding level of pavement management. Motion passed 5-0

A copy of the TSSA-1 presentation is attached to these minutes as Exhibit "E"

**K. DISCUSSION: TAHOE DONNER MONUMENT AND WAY FINDING SIGNAGE**

Director of Capital Projects, Forrest Huisman provided the Board with final draft package of the proposed replacement of the Association's outside, roadway signage.

Mr. Huisman stated that there were no major aesthetic changes to the signage since the Board last saw them, but there were some small additional signs added. He noted that he hopes to receive a consensus from the Board on the signage today in order to begin the construction process. The plan is to have the major signs, such as the monument sign coming up Northwoods Boulevard, installed by the Fourth of July. Throughout the remainder of the summer and fall, all the other signage will continue to be installed.

Mr. Huisman then reviewed the individual sign components with the Board.

Following the presentation, the Board provided comments and suggested revisions to the proposed signage. By consensus the Board approved the Tahoe Donner Monument and Way Finding Signage.

**M. ACTION: MEMBER'S REQUEST TO WAIVE LATE FEE**

The Board considered individual requests from members to waive their delinquency fee for the 2012 Annual Assessment.

Following discussion, Director Miller made a motion and Director Lempinen seconded to approve two members' requests to waive late fees for the 2012 Annual Assessment and to deny five requests.

**G. DIRECTOR OF FINANCE AND ACCOUNTING REPORT**

The Board revisited this item in order to approve the preliminary March financials.

Director Knisley made a motion and Director Miller seconded to approve the preliminary March financials as presented. Motion passed 5-0

**FUTURE BOARD MEETING AGENDA ITEMS**

The Board placed the following items on the May 19, 2012 Board meeting agenda:

- Golf Course Task Force
- Tahoe Donner Trails Update

**ADJOURNMENT**

The Board adjourned to Executive Session at 4:40 p.m. and did not reconvene to open session.

Submitted by:

  
Bonnie Watkins, Recording Secretary

**SECRETARY'S CERTIFICATE**

I, Steve Miller, 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 21, 2012, as approved by the Board members in attendance and constituting a quorum at a duly convened subsequent meeting of the Board.

  
Steve Miller, Secretary