

BOARD APPROVED

ACTION ON

Bonnie Watkins

VERIFIED

Jan 22, 2013

**MINUTES
TAHOE DONNER ASSOCIATION
BOARD OF DIRECTORS REGULAR MEETING
May 19, 2012
9:00 a.m.**

E.A. - TDA ASSOC.

A regularly scheduled meeting of the Board of Directors of Tahoe Donner Association was held at The Lodge 12850 Northwoods Blvd., Truckee, California on Saturday, May 19, 2012. Vice President Tom Johns 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: Tom Johns, Vice President
Ron Wulff, Treasurer
Steve Miller, Secretary
Jay Lempinen, Director

Directors absent: Suzy Knisley, President

Staff present: Robb Etnyre, General Manager
Miguel Sloane, Director of Operations
Annie Rosenfeld, Director of Facilities & Risk Management,
Kirt Zimmer, Director of Marketing
Forrest Huisman, Director of Capital Projects
Forester, Bill Houdyschell
Director of Golf Ed Leinenkugel
Bonnie Watkins, Recording Secretary-Executive Assistant

MEMBER & DIRECTOR COMMENTS

A member inquired about the status of the proposed cleanup of the meadow at the end of Alder Creek Road. General Manager Robb Etnyre responded that there are currently no funds allocated for the study or potential restoration of this area, but this item will be considered during the upcoming 2013 Budget process.

INTRODUCTION:

Truckee's new Chief of Police, Adam McGill, introduced himself to the Board. (Chief McGill took office in February of this year.) He stated that he grew up in California's Central Valley and has worked as an officer and in a management capacity in the cities of Ceres and Modesto; he most recently served as Chief of Police in Newman, California.

For the past 18 months, McGill said, he has worked for the U.S. State Department in Iraq as a Senior Police Advisor.

Chief McGill indicated that he and his family are pleased to be a part of the Truckee community and he looks forward to open and productive communication with Tahoe Donner. Chief McGill then reviewed some of his future plans for the Police Department and fielded questions from the Board.

A. APPROVAL OF MINUTES

The Board received the preliminary minutes of the April 21, 2012 regular meeting minutes for consideration.

Following discussion, Director Lempinen made a motion and Director Miller seconded to approve the April 21, 2012 meeting minutes as presented

B. COMMITTEE MANAGEMENT

Architectural Standards – The Board was provided with the committee’s April 11 and May 2, 2012 meeting minutes for review.

Covenants – The Board was provided with the committee’s April 12, 2012 meeting report for review. Committee Chair Al Noyes reviewed the following highlights of the report:

- The committee discussed the Covenants Rules relating to fireworks. The committee decided to revise the rules regarding “private property” to be consistent with the “common area” rules.
- The committee is continuing to prepare a document to educate home owners, or more specifically their renters, on the Association’s rules. This will be a one page document that will be distributed to Tahoe Donner owners who rent their properties.

Elections – The Board was provided with an update from the committee regarding the 2012 Director Elections.

The following property owners submitted their names as candidates for a seat on the Tahoe Donner Board of Directors: Tom Johns and Ken Knutsen. These owners were certified by the Election Committee as member in good standing and met all the candidacy requirements as outlined in the Association’s Bylaws.

Finance – The Board was provided with the committee’s May 10th, 2012 meeting notes for review.

General Plan (GPC) – The Board was provided with the committee’s May 7, 2012 meeting summary for review. Chair Dick Gander provided the following highlights:

- The committee discussed the activities of the Cross Country Center/Equestrian Subgroup since the last GPC meeting. Two field trips were held, one to Royal Gorge and the other to the Zephyr Lodge at Northstar. The Subgroup also met on April 30th to review the proposed building footprint with Staff. A number of recommendations resulted from that meeting regarding downsizing some of the estimates for building component’s The GPC came up with the following recommendations for the Board:
 - The priority for the new building should focus on creating a first class Cross Country operation with an aim toward providing an excellent user experience. This includes a rental facility appropriately sized to ensure a quality user experience while operating as a profit center - with paid lockers, kitchen space to support a menu similar to the current kitchen with some enhancements (using the Full Belly Deli or Wild Cherries kitchens as comparables), indoor dining capacity for 80, and allowing for future expansions. All other uses should be subordinate to Cross Country purposes. The overall size should be in the range of 9,500 to 11,000 square feet, plus additional storage. Finally, site selection is a critical factor to be decided prior to detailed design.
- Director of Capital Projects, Forrest Huisman, updated the committee on the various capital projects in 2012.

COMMITTEE COORDINATOR UPDATE

The following committees currently have vacancies:

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

C. CONSENT CALENDAR

The Board was provided with the following items for consideration:

- Forestry Safety Inspection Rule Revisions (45-Day Member Comment Period Expires)
- TDA C&R’s and Architectural Standards Rules, Procedures and Restriction for Land Use Revisions (45-Day Member Comment Period Expires)
- 2012 Annual Director election Procedures (45-Day member Comment Period Expires)
- Member Request to Waive Late Fee
- Euer Valley Special Event
- Annual Assessment Delinquency Fee Policy
- 2012 Budget Groomer Purchase

Following discussion Director Wulff made a motion and Director Miller seconded to approve the Consent Calendar as presented. Motion passed 4-0 (Director Knisley Absent)

D. PRESENTATION: FIRE SAFETY

Forester Bill Houdyschell provided the Board with a PowerPoint presentation on his Forestry Management Program. The presentation included an overview of the history of forest fires in the Tahoe region from 1908 to 2011 as well as future plans and projects for the department. Following the presentation, Mr. Houdyschell fielded questions from the Board and members present.

A copy of Mr. Houdyschell's PowerPoint presentation is attached to these minutes as Exhibit "A".

E. DISCUSSION: DIRECTOR OF FINANCE AND ACCOUNTING REPORT

Director of Finance and Accounting Mike Salmon provided the Board with a presentation on the Association's unaudited preliminary April 2012 financial reports, a complete set of which are attached to these minutes as Exhibit "B".

Following discussion, Director Wulff made a motion and Director Lempinen seconded to approve the unaudited preliminary April 2012 financial reports as presented. Motion passed 4-0 (Director Knisley Absent)

F. DISCUSSION: 2012 OPERATING FUND FORECAST AND MEMBER'S EQUITY BALANCE

The Board was provided with a Decision Paper regarding the 2012 Operating Fund Forecast and Member's Equity Balance for consideration. General Manager Robb Etnyre stated that accompanying the Decision Paper in the Director's books are detailed supporting documents. The purpose of bringing this to the Board, he said, is to continue conversation that was generated at the April 21st Board meeting and to obtain clear Board guidance regarding an approach to mitigate the current Budget deficit, which is a Net Operating Result shortfall to Budget, year-to-date, of \$506,812. Mr. Etnyre further explained that, based on Staff's proposed deficit recovery plans, as previously recommended and discussed with the Board, the 2012 shortfall could be only off-budget by \$200,000. While the plans include material cost saving targets for certain operations, particularly Forestry, Staff feels confident that these savings can be realized without detrimental impacts to customer service levels or to attaining strategic objectives. Mr. Etnyre explained that any remaining deficit this fall will need to be addressed in the Budget process when the Board sets the 2013 Annual Assessment.

Director Johns stated that, in the materials provided to the Board, Mr. Houdyschell's memo stated that the approved work for the 2012 Forestry Budget totaled \$800,000. At the April 21st Board meeting, he continued, the Board considered Staff's proposal to cut \$400,000 from the Forestry budget in an effort to decrease the deficit.

However, he said, the Board approved keeping the entire amount in that department's budget. Now, Mr. Houdyschell has proposed approximately \$181,000 in operational savings. He asked Mr. Houdyschell to brief the Board on how this reduction in funds can be made and still accomplish the necessary forest health and fire safety work planned for this year.

Mr. Houdyschell explained that, over his many years at Tahoe Donner, he has been asked several times to reduce spending to assist with the Association's overall financial situation. In fact, he continued, with the poor winter weather and reduced winter activities; he had anticipated some form of reduction in the Forestry Department's budget for 2012. Mr. Houdyschell stated that, due to the aggressive program of fuel reduction over the past three year period, he feels the Forestry Budget can be reduced for 2012 while still completing important forest health and fuels reduction measures.

Mr. Houdyschell stated that the Association's southern borders are in excellent shape. The only work needing to be done is the creation of a shaded fuel break below Skislope Way on the newly purchased PUD and Bucknam Tract properties. A grant through the California Fire Safe Council has been applied for which will pay for half of this project that won't start until 2014. Again, he said, everything that can be done on the southern borders has been completed. Another grant project was just completed, which was a fuel break around the Rosemond property. As for the western and northern borders, Houdyschell said, minimal work will take place on them this summer since these are in good shape.

To address concerns regarding fire potential and fuels management at present and in the future, Houdyschell said, he believes focusing on work within Tahoe Donner is the most important objective and second to that would be fuels reduction around the perimeter of the Association. The critical priority for fire prevention this summer is the completion of the remaining fuel reduction work within the approximately 50 acres of common areas, and crews will be removing dead and hazardous trees throughout the common areas and other association owned property.

He stated that the items that were cut from the budget were contract labor and the reduction of the mastication program. As a result of these cost savings, minimal work will be completed in Euer Valley, unless bark beetles become a problem. He pointed out that work in the Euer Valley was not included in the 2012 budget; however, Staff plans to

complete the bike and foot trails into the Euer Valley by late summer. Mr. Houdyschell assured the Board that he is not concerned about a fire threat in the Euer Valley.

A discussion ensued regarding the proposed cuts to the 2012 Forestry budget, with each Director weighing in on their thoughts and concerns. Further discussion took place regarding the various modifications to the Association's operations to close the deficit, the resulting savings, and proposed projects that will be undertaken this summer.

(Break)
10:50 a.m.

The regular meeting reconvened at 11:00 a.m.

F. DISCUSSION: 2012 OPERATING FUND FORECAST AND MEMBER'S EQUITY BALANCE

The Board continued their discussion of this topic.

Mr. Etnyre indicated that the Board is being provided two options for consideration:

1. Option A. - Proceed with the 2012 deficit recovery plan as currently forecasted.
2. Option B – Review individual circumstances by department and approve or deny by operation.

Following further discussion, Director Miller made a motion and Director Lempinen second to approve Option A. Motion passed 4-0 (Director Knisley Absent)

C. CONSENT CALENDAR

The Board revisited this agenda item.

Director Wulff stated that he had neglected to pull the "Euer Valley Event" item under the Consent Calendar for discussion and he had some concerns about certain impacts of the proposal. He indicated that he is not in favor of some of the items being planned for the event, such as providing "bounce" play houses for children.

Discussion took place regarding the scope and design of the proposed Euer Valley event, with the Board individually offering their suggestions to Staff.

G. DISCUSSION: GOLF COURSE TASK FORCE

Director Wulff indicated that he placed this item on the agenda for discussion. He said he believes that the formation of a special Golf Course Task Force for the purpose of finding ways to bring additional play, both public and members, to the Golf Course is a great idea. However, he said, it may be too late to form one for this year. He noted that various individuals have contacted him about joining such a committee, but he is reluctant to proceed with its formation until it is formally approved by the Board.

The Board was provided with a PowerPoint presentation by Director of Marketing Kirt Zimmer and Director of Golf Ed Leinenkugel regarding the "2012 Operations and Marketing Overview" for the Golf Course.

Highlights of Director of Marketing Kirt Zimmer's portion of the presentation follows:

- Season pass & pack sales are promoted in:
 - Tahoe Donner News
 - Weekly News, Golf Newsletter Lists, ForeTees
 - Tahoedonner.com
 - Northwoods Clubhouse Marquee
 - Sierra Sun & Lake Tahoe Action
 - Facebook As Served to Golfers in San Francisco, Sacramento, Truckee, & Reno
- From a revenue standpoint, pass sales revenue has already reached the total from all of last year.
- Group Sales Coordinator (New this year):
 - Emphasis on groups in shoulder season
 - Promoting Tahoe Donner at trade shows
 - Establishing relationships with local lodging properties (Hampton Inn, Larkspur Inn, etc.)
 - Up-selling prospects into dining options
- Silver Voyages (New this year):
 - Tap into golf and stay packages with many area lodging properties (particularly in Reno)
 - Visibility on the web sites
- Golf the High Sierra (New this year):
 - Promote in their extensive marketing materials
 - Presence at golf trade shows
 - Access to "influencers" such as club officers with Northern California Golf Association

- Group trips (Bay Area Golf Bus in September)

- Media tour at Tahoe Donner Golf Course
 - Tahoe Donner will host national media from around the world on June 7th. Approximately 20 participants will play golf at the Tahoe Donner Golf Course, followed by lunch at The Lodge.

Highlights of Director of Golf Ed Leinenkugel's portion of the presentation follows:

- Welcome to Golf Month, Bring a Friend:
 - Receive a complimentary 10-minute golf lesson
 - Participate in introductory programs
 - Be a part of a golf clinic
 - Discover the fun and healthy benefits of playing golf
 - Win a set of Nike golf clubs
- Get Golf Ready:
 - 5 lessons for \$99
 - Family Instruction - \$199 for parent and child
- Golf 2.0 Growing the Game Retain/Strengthen the Core & Nurture Regular Customers:
 - Member/Golf Town Hall Meetings
 - Recognition
 - One customer at a time
 - Effective use of Customer Comment Cards to measure service and solicit feedback
- Engage "Lapsed" Golfers:
 - Welcome to Golf Month
 - Free Beginner golf clinics
 - Free Women's golf clinics
 - Town Hall meetings
 - Engage members of women's clubs
 - Affordable golf options
- Drive New Players
 - Welcome to Golf Month
 - Get Golf Ready
 - Free Golf Clinics
 - Tee it Forward

- o Free Junior Play
- o Patriot Day (Labor Day weekend)

A copy of the PowerPoint presentation by Director of Marketing Kirt Zimmer and Director of Golf Ed Leinenkugel is attached to these minutes as Exhibit "C."

Following the presentation Staff fielded questions from the Board and the Board discussed the merits of creating a Golf Course Task Force.

Following discussion, Director Johns made a motion and Director Lempinen seconded to approve the formation of an Ad hoc committee for the purpose of looking into ways of increasing rounds played on the Golf Course. Motion passed 4-0 (Director Knisley Absent)

The Board indicated that Director Wulff would facilitate the organization of the Golf Task Force and that this item will be placed on a future Board meeting agenda for further discussion.

H. DISCUSSION: GOLF COURSE MAINTENANCE

Director Johns stated that he had requested that this item be placed on the agenda for discussion today for the purpose of gathering information on the Golf Course's maintenance schedule. He said, in the process of implementing cost reduction in order to address the current deficit, he wanted to make certain that Golf Course operations has sufficient funds to continue providing a first class product for our members. Any proposed cuts for this operation should not, in any way, diminish the quality of the course for this year or for the long-term. Two years ago, he continued, we were voted best greens in the Tahoe Area, and this should be our goal every year. Director Johns expressed concern over whether Golf Course Maintenance Supervisor Kevin Kuehne has received the financial resources necessary to keep the course in optimal condition. He then requested that Staff provide an overview of the Golf Course Maintenance budgets over the last several years as it relates to monetary and labor assets.

General Manager Robb Etnyre explained that Mr. Kuehne is currently focused on the various details associated with getting the course up and running. He said he had toured the course last week with Mr. Kuehne to assess conditions with regard to winter ice damage and a recovery scenario. At that time, he continued, he inquired of Mr. Kuehne whether any additional resources are needed in order to get the course in shape to open and that Mr. Kuehne said that he did not require more. Mr. Etnyre stated that the operating adjustments that have been made in past years and for the current year have provided significant budget savings, and they have not negatively impacted the course.

He then provided the Board with a review of the various operational adjustments and cost saving measures that have been implemented.

Director of Golf Ed Leinenkugel agreed that Mr. Keuhne has the necessary resources and is optimistic about course recovery from the winter. He noted that it was reassuring to know that, should there be a need for added resources for maintenance on the course, they would be made available. He pointed out that the only thing that stands out as something that should be considered in the future is returning to a more aggressive program of topdressing the fairways. Topdressing is costly, he continued, but as the Golf Course operation improves in its Net Operating Results, this is an area that should be addressed.

A discussion ensued regarding future plans for topdressing the course and associated costs, negative environmental impacts to the course over the last two years, and the Golf Course Maintenance budget as compared to other courses in the area.

Following discussion, Director of Finance and Accounting Mike Salmon provided the Board with a brief slide presentation outlining Golf Financials 2007 to 2012. This document is attached to these minutes as Exhibit "D".

EXECUTIVE SESSION AND LUNCH

The Board convened to Executive Session at 12:10 p.m.

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

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

I. DISCUSSION: THE LODGE

The Board was provided with a report from Director of Capital Projects, Forrest Huisman, regarding proposed upgrades to this facility. The Board toured The Lodge Grotto and other areas of the facility that will be undergoing upgrades. Following the tour, the Board provided direction to Staff.

EXECUTIVE SESSION REPORT

Director Miller reported the following: The Board met in Executive Session on April 21st and discussed contracts, the Board met in Executive Session on May 11th and discussed

contracts, and the Board met in Executive Session today to discuss contracts as well as legal matters.

K. DISCUSSION/ACTION: CROSS COUNTRY CENTER SKI LODGE

(This item was moved forward on the agenda)

Director of Capital Projects, Forrest Huisman, stated that the next step in the planning process for this building is to receive feedback from the General Plan Committee and Subgroup. The next General Plan Committee meeting will be held at the Cross Country Center on June 4th and will include a site tour to consider potential building locations. Mr. Huisman noted that there are three potential sites for consideration.

Director Johns inquired if an environmental consultant has been hired to do a study of these proposed sites. Mr. Huisman responded that the main site for consideration is currently undergoing an environmental and wetland delineation study. He said there are now two other sites that have surfaced as possibilities that were not being studied. He pointed out that, until the General Plan Committee has the opportunity to consider their viabilities, it would be prudent to wait on the study. Mr. Huisman mentioned that, after feedback is obtained from the committee on these sites, Staff will bring the information to the Board prior to any further work being conducted.

Staff then received a number of comments, questions, and suggestions from the Board on the various elements relating to this proposed new facility. Further discussion took place regarding a planning process moving forward for this project.

Following discussion, by consensus the Board approved a special off-site Board meeting on June 4 for the purpose of touring the Cross Country Center to consider potential locations for the proposed new building.

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:

- **Beach Club Marina:**
On May 14, Staff provided the Board with a tour of the Beach Club Marina and a presentation regarding a Master Plan of proposed future upgrades for the facility. The scope of the project will include a remodel of the upper and lower terraces, including an enlarged lawn for weddings and events. Parking will also be improved along Donner Pass Road and new signage at the entrance of this amenity. Staff has applied to the Town for building permits for the project.
- **Forestry Building Remodel:**
Plans have been submitted to Nevada County for review and approval. Construction is planned for the summer.

- **Tahoe Donner Wayfinding Signage:**
The Board approved moving forward with this project at the April 21 Board meeting. Final approval from the Town should be forth coming and we are still on target to have 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.
- **Downhill Ski Area:**
A Yurt is planned for the Downhill Ski Area to support the ski school. This project is pending approval.

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

L. GENERAL MANAGER'S REPORT

General Manager Robb Etnyre reported the following:

- **Tahoe Donner Volunteers:**
Discussions have taken place with the "Friends of the Tahoe Donner Trails" chartered club regarding the development of a volunteer based program to assist with some of the trail maintenance planned for the summer. The proposed first project for the volunteer group will be removing a wire fence located on the McGlashan Springs property.
- **Summer Concert:**
The summer concert is set for July 21 and the entertainment will be bluegrass legend Sam Bush, with North Tahoe's Dead Winter Carpenters will be opening the show. Tickets will be available May 31 and can be purchased at member Services or on the Tahoe Donner Web site.
- **Bocce Ball:**
To meet growing interest and demand, we've recently added an additional Bocce court and remodeled the existing three courts. The upcoming Bocce League is scheduled to start June 26.
- **Pizza on the Hill:**
The restaurant has been closed for the past month for repairs and maintenance and will reopen on May 24. All the rented video games have been returned to the contract vendor, which have been replaced with basic games that are not coin operated. A new interactive game room has been created that offers the following: Lincoln logs, chalk boards, checkers, chess, train sets, and a wall mounted funnel system.

M. DISCUSSION: AUTHORIZATION LEVELS

Director Wulff explained that he had placed this item on the agenda for discussion. He noted that the current "Authorization Levels Resolution" that was adopted in 2009 increased the General Manager's authorization level to enter into contracts from \$10,000 to \$50,000. Due to budget concerns this year, he continued, he would like the Board to consider lowering this amount by half.

Robb Etnyre explained that having the authorization level at \$50,000 represents a threshold that will better facilitate everyday business. He said there are many routine contracts that are signed on a regular basis that fall above the \$10,000 amount, but fall below the \$50,000 amount. Rather than have the Association's operational components tied to monthly Board meetings for approval, the idea is to have the authorization levels so that routine business may be conducted more efficiently.

The Board further discussed the purchase authorization levels and related matters, with no action being taken.

N. DISCUSSION: TAHOE DONNER MARKETING PLAN

This item was removed from the agenda.

O. DISCUSSION: TAHOE DONNER TRAILS UPDATE

Director Miller indicated that he had placed this item on the agenda so that the Board could receive and update on the progress being made with regard to trails this summer.

Director of Facilities & Risk Management Annie Rosenfeld provided the Board with a PowerPoint presentation on "Summer 2012 Trail Operations". Highlights of her presentation follow:

- The plans for summer 2012 as far as trails has been broken into four categories:
 - Maintenance
 - Capital Related Projects
 - Programming
 - Neighborhood Land Use Agreements
- A Trails Master Plan Validation will be coming to the Board for approval this summer.
- Signage installation will be taking place to define property boundaries on newly acquired property.

- There are eight Capital Projects related to trails scheduled this summer and there will be new trail development as directed by the Board.
 - Nature Loop Bridge repair.
 - Elevated walkway repairs: #7-8 Hansel/Hillside
 - Elevated walkway repair #45 Schussing
 - Drainage repair/improvement on the Nature Loop Trail.
 - Trail repair/improvement Nature Loop.
 - Trail repair/improvement #36-18 Hawks Peak.
 - Miscellaneous areas:
 - Schussing
 - Equestrian/Cross Country Center
- A member barbeque is being planned for the Euer Valley.
- New Trail Development:
 - Priority for new development will be the Euer Valley Access Trails – Equestrian, Foot, and bike.
- Objectives:
 - Separate user groups.
 - Remove user groups from valley vehicle travelled access roads.
 - Realign trails out and around sensitive areas.
 - Begin to address fire safety and forest health along Euer Ridge through CFIP grant.

A copy of Ms. Rosenfeld’s presentation is attached to these minutes as Exhibit “F”.

P. DISCUSSION ANNUAL MEMBERSHIP MEETING

The Board was provided with a draft copy of the proposed “2012 Annual Membership Meeting” agenda for review. The Board discussed the development of this year’s meeting agenda, a possible speaker, as well as the Member Picnic and Expo that follows the meeting,

Following discussion, by consensus the Board directed Staff to invite Town of Truckee Mayor Joan deRyk Jones to be a guest speaker at the Annual Meeting.

Following further discussion, by consensus the Board approved canceling the June 24 regular Board meeting and holding a regular Board meeting on June 22 during the election ballot counting meeting.

ADJOURNMENT

Director Wulff made a motion and Director Lempinen seconded to adjourn the meeting at 4:10 p.m. Motion passed 4-0 (Director Knisley Absent)

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 May 19, 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