

ACTION ON May 20, 2017

VERIFIED Megan Rodman

E.A. - TDA ASSOC.

MINUTES

**TAHOE DONNER ASSOCIATION
SPECIAL BOARD OF DIRECTORS MEETING**

**April 22, 2017
Northwoods Clubhouse
9:00 a.m.**

A special meeting of the Board of Directors of Tahoe Donner Association was held at the Northwoods Clubhouse 11509 Northwoods Blvd., Truckee, California on Saturday, April 22, 2017. President Jeff Bonzon called the meeting to order at 9:08 a.m. The following Directors were in attendance, thus constituting a quorum of the authorized number of Directors of the Association:

Directors Present: Jeff Bonzon, President
 Ron Wulff, Vice President (via conference call)
 Steve Miller, Treasurer
 Jeff Schwerdtfeger, Secretary
 Darius Brooks, Director (via conference call)

Directors Absent: none

Staff Present: Robb Etnyre, General Manager
 Forrest Huisman, Director of Capital Projects
 Miguel Sloane, Director of Operations
 Mike Salmon, Director of Finance & Accounting
 Annie Rosenfeld, Director of Facilities & Risk
 Megan Rodman, Recording Secretary and Executive Assistant

- I. **CALL TO ORDER** 0:00:10
- II. **DISCUSSION: EXECUTIVE SESSION REPORT** 0:00:50
 (Board of Directors)

On April 11, 2017, the Board of Directors met in Executive Session to discuss a draft of the 2017 Tahoe Donner Association Senior Management Compensation Study report by Romanoff Consulting.

On April 17, 2017, the Board of Directors met in Executive Session to discuss a draft of the 2017 Tahoe Donner Association Senior Management Compensation Study presentation by Romanoff Consulting.

III. A. DISCUSSION: SOCIAL MEDIA UPDATE

0:01:26

(Derek Moore, Interactive Media Coordinator)

Derek Moore, Interactive Media Coordinator, presented to the Board and to the membership a summary of comments and activities across all Tahoe Donner social media platforms and on Next Door as an additional way to stay abreast of emerging issues among the membership.

The most common topics this month were:

- Picking up dog waste
- Active Bears
- Trash/Bear Boxes
- Clearing of the Boat Storage lot
- Closing dates of winter amenities
- Event Tent at The Lodge Restaurant & Pub
- 2017 Director Election
- Kayak storage
- Board Meeting supporting documents
- Architectural Standards processes

Derek also reported on Board meeting video recording statistics, providing a brief overview of what is being tracked, total video viewings and other general information.

Links are now available on the Board Meeting videos to take members to specific Agenda items, should anyone only wish to view that portion of the meeting.

To stay informed on these topics and others, members can subscribe to receive Tahoe Donner emails at www.tahoedonner.com.

IV. MEMBER & DIRECTOR COMMENTS

0:23:16

Board President, Jeff Bonzon, recognized members to comment on agenda items as they occurred. But, opened the meeting addressing the following topics that were not on the agenda but perceived as important to address and potential items to be placed on future board meeting agendas.

- Member comments were made regarding the closing dates of winter amenities, communication to the membership, Bear Boxes, and the Town's proposal for a round-about at the intersection of Northwoods Boulevard and Donner Pass Road.

Members may submit additional comments by email to the Board of Directors at board@tahoedonner.com.

V. B. ACTION: APPROVAL OF MINUTES

0:32:40

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

- March 25, 2017 Regular Meeting Minutes

Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve the meeting minutes as presented. Motion passed: 4 – 0. (Director Ron Wulff absent).

VI.

C.

DISCUSSION: COMMITTEE MANAGEMENT

0:33:14

(Committee Chairs)

- **Architectural Standards** – The Board of Directors was provided with the Architectural Standards and Covenants Board of Directors Monthly Summary for March 2017.
 - Rod Whitten, Chair of the Architectural Standards Committee, reported that things are very slow right now for the committee. Fifteen new houses were brought to the committee at the last meeting. The committee also wanted to remind the membership of repair rules and processes as a result of snow damage.
- **Covenants** – The Board of Directors was provided with the Architectural Standards and Covenants Board of Directors Monthly Summary for March 2017.
- **Election** – The Board of Directors was provided with the committee’s April 4, 2017 meeting minutes.
 - Karolyn Gander, a member of the Elections Committee, speaking on behalf of Bette Rohrback, the Committee Chair, stated that seven applications have been taken from Member Services for the two open positions on the Board of Directors thus far. As of April 17, 2017, there are 6,473 members total, 186 members have been suspended, resulting in the total number of those eligible to vote in the 2017 Director Election to be 6,287, equating to a 25% quorum to be met with 1,572 membership votes.
- **Finance** – No report.
 - Art King, Finance Committee Chair, reported that the committee has reviewed the March 2017 Financials, as well as the 2016 Annual Financial report which Mike Salmon, Director of Finance and Accounting, has worked diligently on. The committee had a long discussion regarding the housing issue in Tahoe Donner, and as such would like to remain in the loop with this conversation going forward.
- **General Plan (GPC)** – The Board was provided with the committee’s April 3, 2017 meeting minutes and with the Capital Projects at a Glance report.
 - Michael Sullivan, the General Plan Committee Chair, reported that progress is being made on each current capital project, and will report on the current status of the Association Master Plan later in this meeting.
- **Tahoe Donner Giving Fund Committee** – The Board was provided with the committee’s April 4, 2017 meeting minutes and with their Administrative Budget report.

- Richard Gander, Chair of the Tahoe Donner Giving Fund, reported that three items are on the Consent Calendar today for Board approval – the scholarship grants, multi-year grants, and adding a new member. He also kindly reminded everyone that if just 15% of the homeowners contributed \$100 per year, the committee could grant \$100,000 to numerous local organizations.

VII. D. ACTION: CONSENT CALENDAR

0:54:08

The Board of Directors was provided with the following for consideration:

- Tahoe Donner Giving Fund – increase the scholarship grant by \$3,000 to \$7,000 total to allow for continued support beyond one year.
- Tahoe Donner Giving Fund – approve scholarship grants of \$2,000 each to two students.
- Approval of Linda Slattery as affiliate member of Tahoe Donner Giving Fund Committee
- Decision Paper – Fire System Replacement at the Lodge Restaurant & Pub

Following discussion, Director Steve Miller moved and Director Jeff Schwerdtfeger seconded to approve the above Consent Calendar items as presented. Motion passed: 5 – 0.

The below Consent Calendar items were pulled from the original Consent Calendar and were reviewed further before being voted upon by the Board of Directors.

- **Decision Paper – Banquet Tent Replacement at the Lodge Restaurant & Pub**
The Board of Directors would like to see more color choices for the tent presented before voting upon this item. As well, the Board would like to see different tent coverage options for when the tent is not in use, since taking down and putting back up the tent for each event is impractical. Director Darius Brooks also recommended considering purchasing a more permanent tent, that could be used during the winter months. The tent presented in the Decision Paper, is 2 feet lower than the current tent, with more of an even top.

Following discussion, this Decision Paper – Banquet Tent Replacement at the Lodge Restaurant & Pub will be moved to the next scheduled Board Meeting, and by consensus it was not approved by the Board of Directors at this time until more options could be presented.

- **Decision Paper – Short Range Practice Area at the Driving Range**
- **Decision Paper – Driving Range Netting Replacement**
 - Director Ron Wulff asked for further clarification on why new netting is being recommended, as well as what a short range practice area entitles, and if doing both of these items at the same time provides cost savings. Robb Etnyre, General Manager, explained that the new netting would solely be for summer use, since the old netting is deteriorating quickly.

The old netting would then be used as fencing for Snowplay in the winter. The short range practice area would be used for when the whole Driving Range area is closed to host summer activities, such as concerts, to still provide a driving range practice area service to the membership. While both may happen at the same time, utilizing two different contractors will not guarantee cost savings.

Following discussion, Director Ron Wulff moved and Director Jeff Schwerdtfeger seconded to approve the two Decision Papers above, as presented. Motion passed: 5 – 0.

VIII. BREAK 10:35 A.M. 1:26:28

The regular meeting reconvened at 10:40 a.m.

**IX. E. DISCUSSION: UPDATE BY ROMANOFF CONSULTING ON SENIOR MANGEMENT COMPENSATION STUDY 1:26:55
(Romanoff Consulting Inc.)**

The Board of Directors was provided with an update on their contracted Senior Management Compensation study report by Romanoff Consulting.

Director Jeff Bonzon stated that the reasoning behind conducting this study is to clear up any confusion regarding compensation paid to employees. As such, the purpose of this study is to learn the appropriate levels of pay needed to attract and maintain quality employees. The presentation by Romanoff Consulting at this meeting, is to report on the completion of Phase 1 of the study and to brief the Board and the membership on the next steps to be included in Phase 2.

Kent Romanoff, the consultant conducting the study, noted three important key points regarding his work thus far. (1) The section of the study concerning the General Manager position, he reports to the Board of Directors, but for all other sections concerning the other Senior Management positions, he reports to the current General Manager of Tahoe Donner, Robb Etnyre. (2) The study was originally only meant to cover the top five highest paid positions at Tahoe Donner, but has since then been expanded to cover all Senior Management positions. (3) Since his first discussion with Art King, Chair of the Finance Committee, Kent raised his concerns about the comparability of using general market surveys, available in the public domain, knowing that these surveys would not compliment the Tahoe Donner Association nor would their relevance and sufficiency of proper data add to the acceptance of this study by the membership. Thus, Kent recommended the Board consider conducting a custom survey to get a valid read on the market to comparable jobs.

The objectives of this Salary Study are to – (1) determine how the Tahoe Donner Association executives are paid relative to executives in comparable organizations, (2) determine how much the Tahoe Donner Association must pay to compete effectively for executive talent, and (3) recommend appropriate compensation levels to encourage high-performing executives to remain with Tahoe Donner for the long-haul. Kent pointed out that the last objective is extremely important now, since the Association has recently lost

two employees from the Senior Management team, due to them acquiring higher paying jobs in Reno.

In Phase 1, Kent looked at compensation elements, including base salary and annual cash incentives. Benefits, perquisites and deferred compensation will be looked at as a part of Phase 2. The project scope includes the following positions – the General Manager, Director of Finance and Accounting, Director of Capital Projects, Director of Information Technology, Director of Operations, Director of Risk Management and Real Property, Director of Human Resources, Director of Food and Beverage, and the Director of Marketing and Member Relations. With the information that has been gathered thus far, Kent believed it was appropriate to consider the General Manger position comparable to a Chief Operating Officer or President position of a company, and the other Director positions comparable to a Vice President position of a company, as they operate today.

The methodology behind Phase 1 of the study, included the following:

Step 1 – Document and Program Review

- Involved reviewing financial statements, business planning documents, executive employment agreements, compensation (base salary and bonus) plan documents, current salary administration guidelines, salary listings and the most recent bonus payouts.

Step 2 – Interviews

- Each interviewee was asked about their roles and responsibilities, observations, issues, concerns and ways they think Tahoe Donner can improve its current executive pay program.

Step 3 – Compensation Philosophy

- Working with the Board and Robb, Kent wanted to identify survey databases to market price Tahoe Donner jobs, establish Tahoe Donner's desired market position (median), determine a recommended structure of salary ranges going forward, and how to position incumbent within a proper position range.

Step 4 – Market Data

- Five reports were reviewed for relevance to this study – the 2016 GuideStar Nonprofit Compensation Report, the 2013 Community Association Manager Compensation Survey, the 2010 City Town Manager Compensation Survey, the 2015 Northern California Fair Pay for Nonprofits report and a list of other large home owner associations provided by the Finance Committee. Looking at the pros and cons of each report, it was concluded that two of the reports, the 2010 City Town Manager Compensation Survey and the list of other large home owner associations, could not be used for this study. The other three reports can be used, however with great limitations as they don't provide sufficient and comparable enough information.

When looking at the Tahoe Donner Association, Kent came to the conclusion that this homeowners association was not a normal homeowners association. The factors that contribute to Tahoe Donner being so unique include: diverse services, activities & amenities, complex financial challenges, number and frequency of Board and Board Committee meetings, extensive governmental partnerships, staffing a full-service winter/summer resort, dependency on volatile weather conditions, continuous

maintenance and upgrades, extensive land-holdings, managing and controlling risk and technological complexity.

With the completion of Phase 1, Kent's overall findings were that Tahoe Donner Association is highly unique, most executive jobs perform duties that are outside of the scope of a typical homeowners association, many Tahoe Donner executive positions have recently been created or expanded and have been paid within the constraints of the existing pay program, the published compensation surveys do not include data from comparable organizations, and in order to draw any conclusions about the competitiveness of Tahoe Donner executive pay, we need to improve the quality of our market data.

In Phase 2, the Board would like to conduct a custom market survey. This survey would define criteria for participation, involve 15 to 20 comparable organizations, and include pay elements such as base salary, annual bonus, total cash compensation, deferred compensation, benefits, prerequisites, and salary administration practices. Participants in this study would receive the results of this survey for free, however all data would be sent to and analyzed by Romanoff Consulting to protect confidentiality. The next steps in creating this survey would be to define criteria for participation, create a preliminary prospect list, explore the possibility of including additional non-executive jobs, review the prospect list with Tahoe Donner executives, the Board of Directors and the membership, to then have a finalized and mutually agreed upon prospect list to begin the survey.

Below is the estimated timeline for Phase 2 of the Senior Management Salary Survey.

STEP	ESTIMATED COMPLETION
Establish Criteria & Select Prospects	May
Develop Questionnaire	June
Contact Prospects & Distribute Questionnaires	July
Data Submission Deadline	August
Publish Reports	September
Analyze Data	October
Recommend New TDA Executive Salary Ranges	November
Final Board Approval of New TDA Exec Pay Program	December
Implement New TDA Executive Pay Program	January 2018
Executive Salary Adjustments (if necessary)	January 2018

X. I. DISCUSSION: COMMUNITY FACILITY DISTRICT – GRAY’S CROSSING PRESENTATION 2:42:45
 (Jeremy Popov, TDPUD Administrative Services Director)

Jeremy Popov, the Administrative Services Director of the Truckee Donner Public Utility District, discussed with the Board of Directors the Community Facility District No. 04-1, Gray's Crossing.

The Gray's Crossing community was originally entitled by the Town of Truckee for a mountain resort community consisting of 408 single family lots, a 92 unit income restricted apartment complex, 89 single family freestanding cottages, 115 attached

townhomes, 21 residential lofts, and approximately 40,700 square feet of commercial space and various community space.

The Truckee Donner Public Utility District (TDPUD) formed the Gray's Crossing community facility district (CFD) in 2004 to help finance the public infrastructure related to the development of the land within the Gray's Crossing CFD's boundaries. The CFD issued an initial series of bonds in principal amount of \$15,375,000 in 2004 and a second series of bonds in a principal amount of \$15,155,000 in 2005. The bonds financed water, electric, sewer, natural gas utilities; roads, storm drains, and more, and would be repaid over time by property owners through a Mello-Roos or Special Tax assessment. While the CFD is not a liability of the TDPUD ratepayers, with the largest share of utilities financed, the TDPUD agreed to administer the CFD. However, as a result of the recession, the development of Gray's Crossing was stalled, development agreements went into default, taxes became delinquent, resulting in a financial barrier to continued development. As such, the TDPUD is working on a complex work-out plan to restart development on several vacant parcels and to also stabilize the bond issue. Currently the TDPUD, the CFD, and two developers have executed a Memorandum of Understanding (MOU) to implement a plan to stabilize the bonds, which is likely to commence development.

Regarding the development concept, the goal is to create a nice, livable community finding a balance of price and quality. While the development concept is constantly evolving, Parcel D would include 40 townhomes, 100% for locals and the local workforce – 10 homes would be income restricted, and 30 would be restricted to locals only priced in the mid \$300,000 range. The Cottages development would include 89 smaller footprint, affordable by design homes – 59 restricted to locals only, priced likely in the \$500,000 range. Parcel F would involve 49 smaller lot size higher-end single family homes, with no market restrictions, which is necessary to develop due to high liens of special taxes, to balance the economics. Recent housing studies support these developments, 58% of unmet demand for housing falls into the range of this project, 37% of which the unmet housing demand is for families with 120% AFMI, and 21% of the unmet demand in the 80% to 10% AFMI range.

In summary, there's a significant upside potential – a sliver of hope for local's housing which would be affordable by designing housing intended for the local residents and workforce. To maximize the community benefit, staff has also been meeting with representatives of local non-profits, to build interest in a possible down payment assistance program, which could provide up to 10% down for qualifying individuals, aligning very well to the current development concept.

XI. CLOSED SESSION

XII. EXEC. EXECUTIVE SESSION AND LUNCH

3:15:55

The Board adjourned to Executive Session at 12:30 p.m.

Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve adjournment of the Special Board Meeting into Executive Session 12:30 p.m. Motion passed: 5 – 0.

XIII. APPEAL HEARING

The Board reconvened to an Appeal Hearing at 12:50 p.m.

XIV. OPEN SESSION

3:16:57

The Board reconvened to Open Session at 2:02 p.m.

XV. EXECUTIVE SESSION REPORT

3:16:58

Board Secretary, Jeff Schwerdtfeger reported that the Board met in Executive Session today to discuss and hear membership appeals.

XVI. M. ACTION: TRUCKEE DONNER LAND TRUST
(Kevin Starr, Stewardship Coordinator)

3:17:17

Kevin Starr, the Stewardship Coordinator of the Truckee Donner Land Trust, presented to the Board information on the new proposed alignment of the Donner Lake Rim Trail.

Since 1993 the Truckee Donner Land Trust has been working on a trail project called the Donner Lake Rim Trail. The vision is to have a trail which encircles the peaks and ridges above Donner Lake and when complete, it will be roughly 23 miles long. The project was launched in 1995 with a Memorandum of Understanding between the Land Trust, United States Forest Service, California State Parks, Tahoe Donner Association, Town of Truckee, and Truckee Donner Recreation and Parks District. In 2010, the sellers of the property known as Bucknam Sinclair Tract, found willing buyers in the Truckee Donner Land Trust, Town of Truckee, and the Tahoe Donner Association who went under contract together and jointly bought the property. The property is an integral piece of defensible space from forest fires for Tahoe Donner and fits with the Land Trust's and Town's mission of protecting and conserving open space.

With renewed interest from the USFS to make this project a priority, along with a big push from Nevada County, who would like to see the Donner Lake Rim Trail be the eastern portion of their proposed Pines to Mines Trail, the Land Trust has proposed a new trail alignment that would be 26,400 feet long, and start at the existing Donner Lake Rim Trail near Glacier Way, crossing USFS land, Tahoe Donner property and the Bucknam Sinclair property. The Land Trust has taken into consideration Tahoe Donner property owner concerns about the proximity of the trail relative to their properties and visual corridor, and as such, the new proposed trail is now approximately 300 feet further down slope. The Truckee Donner Land Trust asks the Board of Directors to agree to this new trail alignment as proposed, in order to accomplish this long-term goal of completing the Donner Lake Rim Trail.

Following discussion, Director Steve Miller moved and Director Jeff Schwerdtfeger seconded to confirm their approval of the proposed new trail alignment, but the Board

wants to work with the Truckee Donner Land Trust further, to pursue the appropriate legal agreement to put into place allowing public traffic to cross onto Association property, before the Board gives their final review to begin construction of the trail.

XVII. G. ACTION: 2017 PENDING SUSPENSION OF MEMBERSHIP RIGHTS AND AUTHORIZATION TO RECORD LIEN 3:28:42
(Board of Directors)

The Board of Directors reviewed and authorized the recording of an assessment lien after May 1, 2017, against those properties for which the delinquent amount is owed, if the amount of the delinquency exceeds \$185.00 and remains unpaid as of the time recording is to take place. As well, these members who have failed to bring their assessment accounts current, will have their membership rights suspended.

Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve authorization of recording liens against the properties for which the delinquent amount is owed and to suspend those member's rights. Motion passed: 4 – 0. (Director Darius Brooks absent).

XVIII. H. ACTION: TAHOE DONNER VOTING AND ELECTION RULES – NOMINATING COMMITTEE 3:31:22
(Board of Directors)

The Board of Directors considered appointing a candidate nominating committee for the 2017 Director Election. However, the Board by consensus concluded that no candidate nominating committee needed to be appointed.

XIX. J. ACTION: TAHOE DONNER SEASONAL EMPLOYEE HOUSING UPDATE 3:35:17
(Robb Etnyre, General Manager)

From direction provided at the January Board Meeting, the General Plan Committee housing work group and staff have reviewed priority site locations, existing zoning densities, setback requirements, cost-benefit analytics, and development schedule options. While there are many scenarios that may evolve as the market changes, and/or as directed by the Board of Directors, Tahoe Donner is not able to secure long term rentals as existing Bylaws do not allow for the Association to incur debt. With continued efforts, staff is prepared to find and acquire appropriately entitled land in 2017, and begin planning for construction in 2018. As such, management recommends the Board of Directors consider approving Option 1 of the Decision Paper presented – to purchase entitled undeveloped land in 2017, and in 2018, develop detailed design and construction plans for an appropriate number of housing units to address the seasonal employee housing shortfalls currently addressed with short term rentals.

After discussion, the Board of Directors requested the subject be reviewed further by the General Plan and Finance Committees, to move this item to the next scheduled Board meeting, and to host a Town Hall meeting in the meantime.

XX.

K.

ACTION: TSSA 1 FUNDS AUTHORIZATION RECOMMENDATION

4:11:17

(Annie Rosenfeld, Director of Facilities and Risk Management)

As a result of review and discussion, the Tahoe Donner Board of Directors recommends the following with regard to the use of future use of the TSSA 1 Funds:

1. Request the Town of Truckee to maintain the current assessment level and previously established eligible uses for the TSSA 1 Fund, while also maintaining an equitable funding level of overall Town of Truckee’s pavement management.
2. Parking improvements in the Town’s right-of-way which provide direct benefit to the TSSA 1 service area and are open to the public. Specifically, Tahoe Donner is requesting consideration of road widening and skier-drop off locations along Snowpeak Way and Slalom Way.
3. Request that the Town of Truckee complete the installation of the remaining electronic radar feedback sign locations this summer.
4. Request the Town of Truckee to consider improvements to the right-of-way and road-side parking adjacent to the Tahoe Donner Beach Club Marina to address safety, congestion, and traffic flow issues.
5. Request the Town of Truckee to utilize TSSA 1 Funds, augment with additional funds as available, and prioritize project planning, and execution for the construction of Left-Turn lanes on Northwoods Boulevard at the Northwoods Clubhouse and Trout Creek Recreation Center.
6. Request the Town of Truckee to consider enhancing the snow removal service by adding a contracted berm service component to the Tahoe Donner streets.

Following discussion, Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve the letter titled “TSSA 1 Funds Annual Discussion,” addressed to Dan Wilkins, the Public Works Director/Town Engineer, as presented. Motion Passed: 4 – 0. (Director Darius Brooks absent).

XXI.

Q.

DISCUSSION: TAHOE DONNER FORESTRY ANNUAL REPORT

4:22:00

(Bill Houdyschell, Tahoe Donner Forester)

Bill Houdyschell, the Tahoe Donner Association Forester, presented to the Board a report on the 2016 Forestry activities including forest health, association owned land defensible space work, the homeowner defensible space program. and the planned work for the 2017 summer season.

In the year of 2016 the Forestry Department was able to accomplish the following –

- 359 visits to private properties for tree advice and permits
- 315 visits for change of ownership defensible space inspections
- 17 visits to properties of defensible space in order to maintain homeowner’s insurance
- 191 out of 210 properties inspected are now compliant with the 2016 Forest Health Issue Maintenance program – removal of dead or damaged trees
- 1,502 piles for 493 tons of property owner vegetation was chipped
- 747 of 821 hand piles were burned
- 2,373 seedlings were planted

- 721 out of 750 properties inspected are now compliant with the 2016 Defensible space program

As a part of the Forestry 5-year plan numerous acres have been treated. In 2012, when the drought started and the number of dead trees started to increase, the forestry budget was reduced due to poor winter revenue, however 11.6 acres of common area were treated, and with the assistance of a California Forest Improvement Program (CFIP) grant, 67.7 acres of plantation were treated. In 2013, 12.8 acres of common area were treated, the south Skislope way fuel break was created, and with the help of two different CFIP grants and additional funds approved by the Board, 186.7 acres of plantation were treated. In 2014, the forestry budget was reduced again due to poor winter revenue, and with the rise of dead trees only 8.5 acres of common area were treated to focus on limiting the spread of the bark beetles and 82.8 acres of plantation were treated. In 2015, a very dry year, it was decided to limit the amount of mastication conducted to reduce the hazards of starting a forest fire. 116.2 acres of common area were treated, 641 dead trees were removed from association property, and only 34.7 acres of plantation were treated. In 2016, contracted labor costs doubled as bidding changed from a per hour rate to a per acre rate. 73.9 acres of common area and 143.5 acres of plantation were treated with the assistance of another CFIP grant.

There are two possible grants available for 2017 to 2019. One is a CFIP High Speed Rail grant, covering 54 acres of site preparation, follow-up slash disposal and tree planting, to be completed between 2017 and 2019. The second is a CFIP Forest Resource Improvement Fund/Timber Regulation Forest Restoration Fund grant, covering 45 acres of pre-commercial thinning, pruning and follow-up slash disposal, to be completed in 2018.

This summer in 2017, even after the wet winter we just experienced, forest pest management specialists agree that we will continue to see higher than normal tree mortality due to bark beetle activity. Storm damage caused by this year's heavy winter will also mean additional work required to clean up dead or damaged trees and excess slash on the ground. Homeowners can assist the Forestry Department by reporting any questionable trees as soon as possible, completing work required following an inspection, and maintaining mastication efforts on their property. Once Bill is better educated on the status of the 180 acres of common area scheduled to be treated this year, and once the snow melts, the Board by consensus is prepared to assist Bill in any way that they can to get the work that needs to be done completed.

XXII. R.

DISCUSSION: FIRE SAFETY AND FOREST HEALTH
COVENANTS RULES

4:57:33

(Annie Rosenfeld, Director of Facilities and Risk Management)

The Covenants Committee and Forestry department completed a programmatic review of the Homeowner Defensible Space Program including the procedures, rules for minimum standards and communications provided to accomplish the mission of maintaining a healthy forest and reducing the fire hazard to the community.

In this review, three areas of the Covenants were recommended for amendment to create further clarity to the membership for minimum standards of forest health and fire safety. This would also provide synergy between the inspection outcomes and the minimum standard rules relating to which a member must maintenance their lot or improved lot.

Additionally, through the last ten years of the defensible space program, the Forestry Department has seen items which are either eyesores to the natural environment including blue tarps and/or inappropriate tree removal leaving tall stumps which pose an invasive species threat as well as eventual rotting and combustible unit. As such, the committee is recommending two additional amendments in the private property rules section of the Covenants rules to regulate the color of tarps used on the lot and maximum stump height allowed.

The Covenants Committee and management are recommending the Board of Directors consider approving going out to 45-day member notification for the consideration of amending the current private property storage and vegetation, and fire safety and forest health covenants rule.

Following discussion, Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve Option 2 of the Decision Paper as presented. Motion passed: 4 – 0. (Director Darius Brooks absent).

XXIII. P. DISCUSSION: ASSOCIATION MASTER PLAN UPDATE 5:02:22
(General Plan Committee and Forrest Huisman, Director of Capital Projects)

The General Plan Committee in conjunction with Forrest Huisman, Director of Capital Projects, discussed with the Board an updated final draft of the Association Master Plan. The two drafts that were presented by Dudek, outlining a very detailed image of where Tahoe Donner is now, the committee has since then used to expanded the report even further to create a future vision for Tahoe Donner utilizing the Association's vision statement, member input and strategic plan guiding principles. This document will go through a final review process, before being presented to the Board of Directors at the next scheduled Board meeting for their approval. The Board had no additional feedback on the final draft at this time.

XXIV. O. ACTION: BACK-UP POWER GENERATORS 5:23:10
(Forrest Huisman, Director of Capital Projects)

Association management has researched and viewed several options for back-up generator power and recommends the installation of permanent, natural gas back-up power generators to accommodate the electrical demand of each facility at the Alder Creek Adventure Center, the Lodge Restaurant & Pub, and the Downhill Ski Area. Northwoods Clubhouse and Trout Creek Recreation Center already have back-up diesel powered generators. Staff recommends the solicitation for necessary design and engineering for all three locations, providing the most effective solutions to provide dependable power during future power outages. With sufficient engineering, contractor cost proposals for the purchase and installations will then be solicited. Current hard and

soft cost estimates are approximately \$115,000 per site, but will be refined once engineering analysis is complete, which will include confirmation of peak electrical demand, analysis and verification of natural gas utility supply, locations confirmed for efficient annual generator maintenance, and options to minimize noise impacts during generator operations. The 2017 Development Fund Expenditure Budget did not have these items scheduled for spend in 2017. However, the Development Fund multi-year projection can afford this expenditure.

Management recommends the Board of Directors consider approving Option 1 of the Decision Paper to obtain engineering requirements and initiate manufacturing of natural gas back-up power generators for Alder Creek Adventure Center, the Lodge Restaurant & Pub and the Downhill Ski Area, for proposed at an estimated total of \$345,000 from Development Funds, prior to end of 2017.

Following discussion, Director Ron Wulff moved and Director Jeff Schwerdtfeger seconded to approve Option 1 of the Decision Paper as presented. Motion passed: 4 – 0. (Director Darius Brooks absent).

XXV. F. ACTION: DIRECTOR OF FINANCE & ACCOUNTING REPORT
(Mike Salmon, Director of Finance & Accounting)

5:38:20

The Board was provided with the 2017 March Financials report by Mike Salmon, Director of Finance and Accounting.

- **2017 March Financials**
 - Month financials for the Association indicate that net operating results (before assessment revenues) for the month was a loss of (\$126,000) which was favorable to budget by \$376,000. The month's operating revenues of \$1,431,000 were \$522,000 favorable to budget and total expenses of \$1,556,000 were \$176,000 unfavorable to budget. Compared to last year same month, revenues are up by \$246,000 and net operating results were favorable by \$152,000. This month, March 2017, had record revenues.
 - Year to date financials for the Association indicate that net operating results (before assessment revenues) is a positive \$53,000 which is favorable to budget by \$993,000. Year to date operating revenues of \$4,939,000 are \$1,606,000 favorable to budget and total expenses of \$4,886,000 are \$612,000 unfavorable to budget. Compared to last year to date, revenues are up by \$317,000, expenses are up unfavorably by \$249,000 and the resulting net operating result is favorable by \$67,000.
 - Member's equity as of March 31, 2017 is \$5,397,000, which exceeds the Policy Peg Balance of \$1,100,000.
 - As of March 31, 2017, there are 228 members who have not yet paid their annual assessment fees for 2017.
- **Month of April 2017**
 - Revenue is at \$376,000 favorable to budget. As of April 20, 2017, revenue is favorable by \$400,000, costs are unfavorable by \$200,000 and net operating results will be in the \$180,000 to \$220,000 favorable range.

Following discussion, Director Steve Miller moved and Director Jeff Schwerdtfeger seconded to approve the unaudited 2017 March Financials as presented. Motion passed: 4 – 0 . Director Darius Brooks absent.

XXVI. CLOSED SESSION

XXVII. EXEC. EXECUTIVE SESSION

5:47:12

Due to previous time constraints, the Board did not have enough adequate time to discuss the following matters in the original scheduled Executive Session, thus the Board adjourned to a second Executive Session at 4:35 p.m.

- Topics for this month’s Executive Session:
 - Contracts
 - Litigation
 - Personnel Matters

Director Jeff Schwerdtfeger moved and Director Steve Miller seconded to approve adjournment of the Special Board Meeting into Executive Session at 4:35 p.m. and to not reconvene into Open Session. Motion passed: 4 – 0. (Director Darius Brooks absent).

XXVIII. L. DISCUSSION: UNDERGROUND UTILITIES

Due to time constraints, this item was removed from the Agenda, and re-scheduled to be discussed at the May 20, 2017 Regular Board Meeting.

XXVII. N. DISCUSSION: TAHOE DONNER LESSONS LEARNED

Due to time constraints, this item was removed from the Agenda, and re-scheduled to be discussed at the May 20, 2017 Regular Board Meeting.

XXIX. POTENTIAL FUTURE BOARD MEETING AGENDA ITEMS

- Forestry Report Update
- Truckee Donner Land Trust – Donner Lake Rim Trail approval
- Underground Utilities
- Tahoe Donner Lessons Learned
- Board Communication
- Association Master Plan
- Employee Housing Update
- Event Tent at the Lodge Restaurant & Pub
- Reschedule May 13, 2017 Board Meeting to May 20, 2017

XXX. ADJOURNMENT

5:47:45

By consensus the Board adjourned the meeting at 5:20 p.m.

Director Ron Wulff moved and Director Jeff Schwerdtfeger seconded to approve adjournment of the Board Meeting at 5:20 p.m. Motion passed: 4 – 0. (Director Darius Brooks absent).


Submitted by:



Megan Rodman, Recording Secretary and Executive Assistant

SECRETARY'S CERTIFICATE

I, Jeff Schwerdtfeger , 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 special meeting held on April 22, 2017 as approved by the Board members in attendance and constituting a quorum at a duty convened subsequent meeting of the Board.



Jeff Schwerdtfeger, Board Secretary