

**MINUTES OF THE FINANCE COMMITTEE MEETING
KIRKWOOD MEADOWS PUBLIC UTILITY DISTRICT
FRIDAY DECEMBER 9, 2011**

**COMMITTEE
MEMBERS IN
ATTENDANCE**

Standish O'Grady, Robert Ende, Allan Sapp, Tony Tucher,
Bob Epstein, Michael Sharp, Dave Likins (first half hour)

**ALSO IN
ATTENDANCE**

Bernie Benze, Gordon Zuckerman, Jan Hill, Melene Smith, Jared
Allen, Troy Madres, Randy Finken, Bob Haight

Standish O'Grady gave an update on Board action regarding
committee structure and invited the existing community members of
the Committee to continue to participate.

**SOFTWARE
SELECTION
AND UPDATE**

Michael Sharp gave an update on the process stating that the sub-
committee had narrowed the vendors down to two. Michael Sharp
voiced concerns over counting on a DSL connection through Volcano
Communications. Michael Sharp stated that staff has contacted
Volcano Communications for the price and availability of a fiber
internet connection to the Community Services Building for the
software and to the power house for the monitoring system.

Jared Allen discussed internet connection options and his concerns
on using DSL due to reliability and performance issues.

Bob Epstein stated that the District should consider the use of the
Rack Space (<http://www.rackspace.com/>) computer hardware out-
sourced services for SEDC, and to keep a copy of the software on
site.

Standish O'Grady recapped the software selection process to date.
Two items are left to be determined: (1) what does the District want
in the software package, and then (2) work on a negotiated price.

The Committee asked that Bob Epstein and Jared Allen be added to
the software selection drop boxes, and for Bob Epstein to lead the
software evaluation and negotiation process.

The Committee asked Michael Sharp to determine if the software had
to be purchased prior to RUS Loan approval.

RFP CONSULTANT

Randy Finken presented the comparison between the two proposals
received and recommended the use of Cornerstone.

Michael Sharp stated that he concurred with this recommendation
based on Cornerstone's price, location, and knowledge of the

California market and from a positive recommendation from a homeowner.

The Committee discussed the need for this agreement and voted to approve the proposal from Cornerstone.

Michael Sharp to execute the contract and work with Randy Finken on the timing.

RFP FOR LOAN PACKAGE

Randy Finken presented the RFP for the alternative financing loan package. Randy stated that this loan would be for the areas which could not be financed by RUS and for the remote read project.

Randy Finken stated that 10 banks have shown interest in receiving the RFP and the concept of pledging property tax funds to secure the loan. Projected interest rate for this loan is in the 5% range.

Michael Sharp stat that CFC would also receive the loan package.

The Committee approved the RFP for distribution.

RENEWABLES

Randy Finken and Troy Madres discussed the renewable requirements as detailed in their report. It was determined that Kirkwood could fulfill 100% of their requirement through purchasing Tradable Renewable Energy Credits ("TRECs").

Troy Madres explained that TRECs have a 3 year shelf life and are purchased based on volume, vintage, price and delivery.

It was estimated that Kirkwood could fulfill its current obligation for about \$6,800 – 9,300 annually. This is based on 6,800 MWh annual consumption x 20% current renewable requirement x (\$5.00 - \$6.85) / MWh TREC cost depending on market conditions. TRECs can be resold if not used.

Michael Sharp recommended that he call for a Public Hearing to discuss the plan for the District to meet its renewable commitment. Also Michael Sharp recommended that Randy Finken continue to pursue a contract for the purchase of TRECs. The Committee concurred and asked for clarification from Jeff Grey if a waiver might be obtained, and clarification of KMPUD's renewable requirements.

The Committee asked that Kirkwood Mountain Resort be notified of the District's direction.

MISCELLANEOUS

Standish O'Grady stated that he will be providing a draft recommendation on what the regular financial reporting package will be. Michael Sharp stated that he will send Standish what is currently being provided.

Bob Epstein stated that due to delays in the EIR/EIS approval, he felt the Committee should begin evaluating alternative financing plans and requested that it be agendaized for the next meeting.

The Committee set the next meeting for December 29, 2011 at 3:00pm