

WHERE DOES OUR POWER COME FROM?

On November 1, 2014 Kirkwood experienced a major shift in the source of the community's electricity with the completion of the Out-Valley Project and interconnection to the national grid. Prior to interconnection, 100% of the community's electricity was generated with diesel. Now, the District purchases approximately 99% of the community's power from the CAISO controlled grid. The remaining 1% of Kirkwood's power is generated using diesel at the Powerhouse. The California Energy Commission collects data on the electricity sold to California consumers during the previous year through its Power Content Label Program. For illustrative purposes, the breakdown of the 2013 California Power Mix and brief descriptions of the generation resources is shown below. For general information about the Power Content Label, contact the California Energy Commission at 1-800-555-7794 or www.energy.ca.gov/consumer.

Biomass & Waste energy resources include combustible residues or gases from logging and agricultural crops, waste products from livestock and food processing, municipal solid and liquid waste which are converted to electrical energy.

Geothermal energy harnesses the heat naturally produced within the earth to transform water into steam at steam-turbine plants.

Hydroelectric facilities generate power using flowing water to spin a turbine connected to the generator. Small hydroelectric facilities have a capacity of 30 MW or less.

Solar power uses photovoltaic cells to harness the energy of the sun to produce energy.

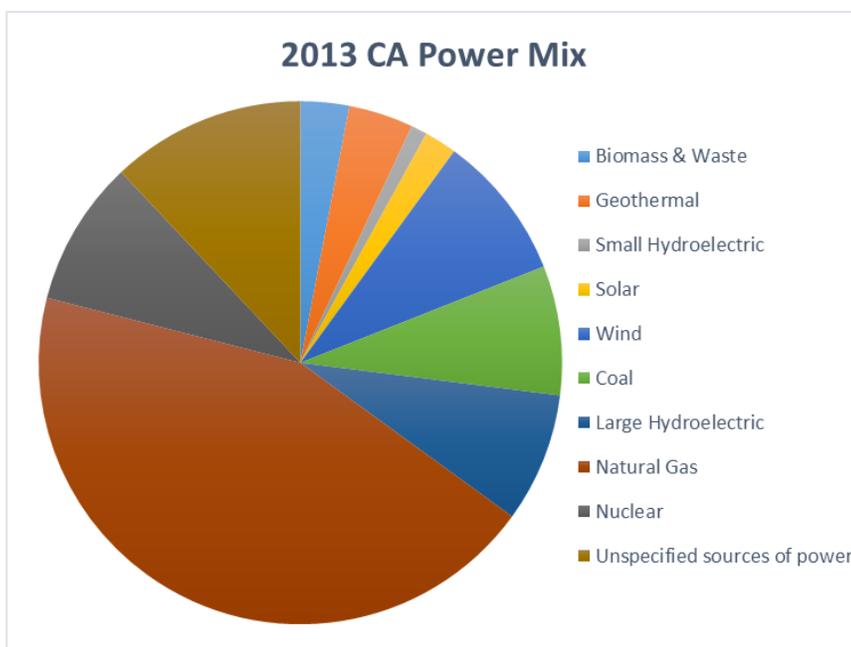
Wind turbines generate power by using wind to turn the blades of a generator turbine.

Coal is burned to produce heat used to convert water into high-pressure steam. The steam turns the blades of a turbine that is connected to a generator.

Natural gas is burned to produce steam or hot combustion gas that passes through the turbine blades on a generator.

Nuclear power involves a process called fission in which the atoms of the element uranium split, releasing heat to turn water into steam and rotate turbine blades.

Unspecified sources of power means electricity from transactions that are not traceable to specific generation sources.



CONSUMER CONFIDENCE WATER QUALITY REPORT

Per State regulations (Title 22, Chapter 15, Article 20) and law (California Health and Safety Code, section 116470), the District is required annually to produce a Consumer Confidence Report (CCR) on the safety and quality of the community's drinking water. As a water system manager, the District is a guardian of the quality of your drinking water supply and of the public health in your community. It is important to communicate to District customers the source of their water and what is in the water they drink. CCRs help consumers make informed choices that affect the health of themselves and their families. The reports also encourage consumers to consider and appreciate the challenges of delivering safe drinking water. Educated consumers are more likely to help protect their drinking water sources and to understand the true costs of safe drinking water.

The CCR for calendar year 2014 is now available on line at <https://www.kmpud.com/news/consumer-confidence-report-2014/>. If you do not have access to the internet, you may have a hard copy mailed to you by contacting Customer Service at (209) 258-4444. If you would like any additional information regarding the data included in this report please contact the District.

WATER CONSERVATION

At the May 9, 2015 Board Meeting the District's Board approved a revision to the Water Alert System-Stage Two to more closely comply with the State's Required water use restrictions in response to the four year drought.

A few of the restrictions in the Water Alert System-Stage Two are:

- Outdoor irrigation of all vegetation including lawns and landscaping is limited to twice per week, between the hours of 8 p.m. and 10 a.m.
- Outdoor irrigation is prohibited during and 48 hours following measurable precipitation
- All run-off and street flooding from outdoor irrigation is prohibited.
- Washing sidewalks, driveways, patios, parking lots, tennis courts and decks with water is prohibited. Health and Safety exceptions to this rule may be requested in writing.
- The washing of vehicles or other equipment is allowed on assigned watering days and times. A hose with an automatic shut-off nozzle or five-gallon bucket should be used. Water should not be allowed to run into the street.
- Water users must repair all leaks in plumbing and irrigation systems.
- No water shall be used for irrigation landscaping for new construction.

For the full Water Stage Alert System visit our website at kmpud.com. An added benefit of the District's Remote Water Meter Read system is that the District is able to automatically track customer water usage and quickly alert customers if there is a water leak or irrigation usage over the two times per week mandate. Thanks again for doing your part in conserving water during this drought. If you would like more information on ways to save go to <http://saveourwater.com>.



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SNOW REMOVAL PROPOSAL UPDATE

The Kirkwood Meadows Public Utility District (District) and the Finance Committee of the District have been investigating the possibility of changing the District's Snow Removal Services program from a Homeowners Association (HOA) and individual customer/private driveway annual contract-based service, to a direct District service to property owners, much the same as a water or electric service. Under this system Customers would receive their snow removal services billing for their portion of the common area of their HOA and a driveway bill (if applicable) on their regular monthly utility bill.

On Saturday, March 14th the Board held a Public Hearing to receive community input and discuss this proposed change. Information related to the proposal was included in the March Newsletter and was emailed to those customers registered with the District. This public review process was very successful in fostering discussion and bringing up many issues not previously considered.

The District learned a lot from this investigation. It became apparent that the original idea of moving to a property related snow removal service has many benefits to the community, but this idea elicited various concerns from some community members and comes at a high risk to the District.

Because of Proposition 218 limitations, once rates are set, they cannot be raised by the District - only by a vote of the property owners. Thus rates would need to be set sufficiently high to handle a scenario of multiple heavy snow years, yet fairly account for low snow levels as well. If rates were set too low and the District experienced a heavy snow year, the District would have to absorb any additional costs until an election could be held to increase the rates. This risk, coupled with the relatively small potential savings in administration and operational efficiencies, fostered questions on the merits of pursuing this alternative structure.

This proposal was discussed at the May 2015 District Board Meeting and it was the consensus of the Board to stay with a contract-based structure. The District will begin the process of evaluating if there are changes to the contract process that can reduce overhead and smooth out the contract prices resulting from large variations in actual snow removal costs from year to year.

If you have any comments or questions relating to this issue, please email Michael Sharp at msharp@kmpud.com.

KIRKWOOD SUMMER FESTIVAL

On Saturday, July 4th (3:00p.m. to 6:00p.m. - extended hours!) the District will be hosting the annual Kirkwood Summer Festival, Kirkwood's premier summer event for homeowners! This annual food and drink adventure benefits the Kirkwood Volunteer Fire Department and proceeds will be placed into the District's fire department fund for new equipment. To secure your attendance and receive the discounted rate for this popular event, please register on-line at kmpud.com or return the registration form no later than June 30th. The form can be found at <https://www.kmpud.com/kirkwood-summer-festival/>. SEE YOU THERE! The KVFD is a 501 (c) (3) corporation (EIN 47-1853858).