



BOARD OF DIRECTORS
KIRKWOOD MEADOWS PUBLIC UTILITY DISTRICT
33540 Loop Rd., P.O. Box 247, Kirkwood, CA 95646
Telephone (209) 258-4444

REGULAR MEETING OF THE BOARD OF DIRECTORS
Saturday, January 9, 2016 – 8:00am
BOARD MEETING MINUTES

Eric Richert, Vice President
Peter Dornbrook, Secretary

BOARD MEMBERS
Robert Epstein, President

Standish O'Grady, Treasurer
Geoffrey Smith, Assistant Secretary

1. **CALL TO ORDER** *President Epstein*
Determining a quorum present, President Epstein called the meeting to order at 8:04 am.
 2. **ANNOUNCEMENTS** *Manager Sharp*
General Manager Michael Sharp stated that this meeting is being fed live over the internet and that the public can view this meeting by going to our website, www.kmpud.com and following the appropriate link. If the public would like to make a comment they may send an email to msharp@kmpud.com and the Board will respond. Members of the public should identify themselves when making comments.
 3. **ROLL CALL** *Asst. Secretary Smith*
Board of Directors Present: President Epstein, Directors Richert and Smith.
Board of Directors Absent: Directors O'Grady and Dornbrook.
Staff Present: Manager Sharp, Brandi Benson, Kelly McBride and Sandy McKay.
Others Present: Community Member Cheryl Stern.
 4. **COMMENTS FROM THE AUDIENCE**
None.
 5. **CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR**
Manager Sharp requested to pull Item 6.b. from the Consent Calendar, Approval of Minutes of the December 28, 2015 Special Board Meeting, as they are not available for review yet.
 6. **ADOPTION OF CONSENT CALENDAR**
 - a. **Special Board Meeting Minutes: December 11, 2015**
Approve December 11, 2015 Minutes
 - c. **Consent for Claims**
Approve current Consent for Claims.
 - d. **Receivables / Shut Offs**
Review current Receivables/Shut Offs Report.
- Moved Richert / Second Smith / O'Grady Absent / Dornbrook Absent / Richert Yes / Smith Yes / Epstein Yes** to approve the amended Consent Calendar.
7. **CONSENT ITEMS BROUGHT FORWARD FOR SEPARATE DISCUSSION / ACTION**
None.

8. ITEMS FOR BOARD ACTION**a. Annual Review and Possible Changes to the Board and Community Member Positions on the District's Committees and Possible Changes to Policy Statement 140, Committees and Related Charters. *Manager Sharp***

Manager Sharp presented a slide showing existing committee memberships, and based on feedback and community interest, proposed that District Committees be comprised of the following Community Members:

Finance Committee: Mark Duvall, Allan Sapp and Nancy Trevett (previously on Planning Committee).

Planning Committee: Cheryl Stern, Casey Blann (previously on Finance Committee), Nate Whaley and Judy Flinn (2-year terms).

Operations/Capital Projects: Caroline Scott, Gary Gallaher and Howard Hoffman (no change).

Moved Richert / Second Smith / O'Grady Absent / Dornbrook Absent / Richert Yes / Smith Yes / Epstein Yes to approve the Community Member positions for the District's Standing Committees.

Manager Sharp stated it is Staff's desire and recommendation to amend Policy Statement 140 (PS 140) and the Committee Charters, to better adhere to current District practice and the Board's desire to encourage greater community participation and input. Key revisions to PS 140 include:

- i. Change "District Members" to "Community Members" and define who these may include (ratepayers, property owners, representatives of businesses, and homeowner associations);
- ii. Expand Community membership on any given Standing Committee from three to five voting members;
- iii. Term limits remain at two years, although flexible to reappoint Community Members upon Board approval;
- iv. Community Members may only serve on one committee at any given time (notwithstanding the KVFD Summer Festival committee); and
- v. Reduce the requirement for producing written Minutes for each committee meeting, to written Action Items.

Moved Richert / Second Smith / O'Grady Absent / Dornbrook Absent / Richert Yes / Smith Yes / Epstein Yes to approve the revised Policy Statement 140, Committees and Related Charters, along with the revised Standing Committee Charters for Finance, Planning and Operations/Capital Projects.

b. Discussion and Possible Action Regarding the District's Financials. *Manager Sharp and Accounting Manager McBride***Lead: Finance Committee**

Accounting Manager McBride presented the November Financials, December Forecast and Cash Water Fall, and answered questions from the Board. Receivables are up from budget due to the early Resort opening (November 14) and continued cold weather. After some discussion on specific line items, the following requests were made by the Board:

- i. Staff will provide details on Electric plant acquisition adjustment.
- ii. Staff to correct Balance Sheet in next year's budget, including: (1) Electric Plant acquisition adjustment; and (2) replace incorrect formula in Accrued Interest (currently higher than it should be).
- iii. Staff to expand New Net Position Financial Statement as an EBITDA document with additional detail, after consulting with Director O'Grady.
- iv. Staff to issue customer credit from GHG allowances (renewable energy credits) on future bills and provide detail in an upcoming newsletter.
- v. Staff to present first deliverables for the 2017-2021 Budget to the Board in February, including unit sales and growth rate, and a preliminary 5-year Capital Projects plan.

c. **Discussion and Possible Action Regarding the District's Investigation to Complete a Rate Study for all Enterprise Services.** *Manager Sharp*

Lead: Finance Committee

A Special Board Meeting was held on Monday, December 28, 2015 to address the Rate Study and Rate Strategies. The purpose of this Special Meeting/Workshop was to discuss standardizing methodology currently being used to calculate District Base Rates for four departments (Electric, Propane, Water and Wastewater), and to review and possibly revise principles established at the December 2013 Rate Strategy Workshop. Minutes of this Special Meeting will be brought forward for approval at the next regularly scheduled Board meeting in February.

A proposal will be presented to the Finance Committee in February that addresses operating reserves, cushion of credit, and cap reserve levels. Staff will investigate solar electric base rate apportionment, in addition to confirming the District's cushion of credit and whether there is a separate cushion for each draw. Proposed changes in the Base Rate calculation for Electric and Propane rates will be presented in February. A call for a public hearing to be held in March is anticipated.

d. **Discussion and Possible Approval of Resolution No. 16-01 Delegating Emergency Contracting Authority to the General Manager.** *Manager Sharp*

Discussion and possible approval of Resolution 16-01 is deferred. Four Board Members must be present to consider a resolution and formally approve.

e. **Discussion and Possible Action Regarding Ongoing Maintenance Associated with the Out-Valley Power Line Project.** *Manager Sharp*

- i. **Update on Caltrans Claim Associated with Costs Incurred in Relation to the Underground Portion of the Out Valley Project.** Manager Sharp reported that the Claim with Caltrans was submitted on 12/26/15 regarding reimbursement of costs associated with the realignment of a portion of the Underground line on SR88. Manager Sharp will continue to update the Board on the status of this claim.
- ii. **Winter Inspections and Maintenance.** Manager Sharp reported that sectionalizing cabinets located along Forest Service snowmobile access trails will be left buried in snow as a safety precaution. Overhead line inspections will be performed by Staff next week, as well as installing a hard wired phone at KM Green for greatly improved communications.
- iii. **2016 Work Plan.** A draft of the 2016 Work Plan with the Forest Service will be presented at the February Board meeting for approval.
- iv. **RCI 2016 Environmental Support Proposal.** RCI's services for 2016 include inspection of access roads for erosion and provide the District with recommendations regarding any road maintenance and/or additional stabilization measures required. RCI will also monitor certain areas where minimal revegetation success was noted last fall, as well as perform invasive weed inspections, and coordinate and attend an annual meeting with the Forest Service. Their total estimated fees for 2016 are \$22,600. This cost is included in Operating Expenses as part of the annual budget. Staff will review the Out Valley maintenance budget.
- v. **Recent Outage of the District's Out Valley Fiber Line.** There have been two failures of the Fiber Optic Line, one last March at Silver Lake Bridge, and more recently at the dam crossing the Lower Bear River Reservoir. Solutions include working with Volcano on fiber redundancy, and Staff will plan to purge water from all vaults annually in addition to inspecting conduit seals and splices, capping spares and installing weep holes.

Moved Smith / Second Richert / O'Grady Absent / Dornbrook Absent / Richert Yes / Smith Yes / Epstein Yes to approve RCI's 2016 Environmental Support proposal in the amount of \$22,600.00.

f. **General Update and Possible Action Regarding Meetings with PG&E and the Planning Phase of the Potential Switch Station Project.** *Manager Sharp*

Manager Sharp reported that calls with Orbie Davis and Mike Tannenbaum are scheduled next week to discuss PG&E's most recent invoice and the status of the District's counter proposal to construction of a Switch Station.

g. Discussion and Possible Action Regarding the District's Powerhouse and Propane Winter Operations. *Manager Sharp and Electric/Propane Manager Benson*

Lead: Operations/ Capital Projects Committee

Manager Sharp reported that Staff are currently investigating the possibility of adding a third propane tank from Kiva. Currently the District supplies propane to the Valley via two tanks, one with a capacity of 20,000 gallons and one 30,000 gallon tank. Both tanks are in good shape, however the District is concerned with the limited reserve capacity should road closures impact deliveries. Staff are building an enclosure to protect the main shutoff valves and will present proposals for a third tank to the Board next month.

Powerhouse winter operations could be impacted due to the amount of snow blocking the motor housing, belts and blades that run the Radiators, which require constant air flow. The area is being dug out by hand after snow events but a more permanent solution is being considered, including extending the existing roof over this area. Various options to protect the Radiators are being considered, and proposals will be presented to the Board for consideration.

h. Discussion and Possible Action Regarding the District's and Vail's Ongoing Efforts to Resolve Electric Harmonics Issues in the Kirkwood Valley. *Manager Sharp and Electric/Propane Manager Benson*

Lead: Operations/ Capital Committee

Manager Sharp reported that Kirkwood Mountain Resort has received approval from Vail on a proposed filter to be installed on Chair 4. This will be included in a compliance plan due by the end of March 2016.

i. Discussion and Possible Action Related to District's Research and Efforts to Improve the Efficiencies and Minimize the Losses of Each Department as Measured in Performance Reporting. *Electric/Propane Manager Benson*

Lead: Operations/ Capital Committee

Electric/Propane Manager Benson provided an update on Performance Reporting for Electric, Propane, Water and Wastewater for the six-month period ending December 31, 2015, noting a lower total Electric Distribution Loss for the month of December of 6.0%. This is in part due to Staff not being able to access the backside of the mountain for a meter read in November, so this reflects two months on the Lift Distribution System for that area. Staff continues the ongoing project of checking and confirming the accuracy of all electric meters.

9. GENERAL MANAGER REPORT

- a. Staffing Levels. The District has hired two seasonal snow removal operators, Nate Weber and Cedar Poste, and is looking for one or two more, assuming El Niño's current trend.
- b. County Supervisors Meeting. A meeting was held on January 8th to discuss Specific Plan Mitigation Measures and the current Employee Housing Ordinance with Alpine and Amador Counties. Due to road conditions, Amador County did not attend, however Alpine was well represented with Terry Woodrow, Brian Peters and Carol McElroy. The District is offering oversight on smaller projects that do not typically require permitting, and are often overlooked by the County. Regarding any revisions to the Employee Housing Ordinance, it was generally agreed that the demand for employee housing needs to be redefined, and a short outline of a proposed ordinance drafted. The District is an ex-officio member of the Tri-County Technical Advisory Committee (TC-TAC).
- c. Water Conservation. District customers reduced their water consumption by 45% between 2013 and 2015. The California Department of Water Resources is currently considering extending water restrictions through October 2016, dependent upon the results of the snow pack from this winter.
- d. Solid Waste. After 40 years of providing solid waste removal services for the Kirkwood Valley, ACES is no longer the vendor for Vail Resorts. The District will continue to use ACES for solid waste removal services, while Vail Resorts has begun using South Tahoe Refuse.

10. OPERATIONS REPORT *Rick Ansel, Assistant Manager, Operations*

Assistant Manager, Operations Rick Ansel was not in attendance, and therefore this agenda item was deferred.

11. STANDING COMMITTEE REPORTS

- a. Finance. Director Richert reported that everything has already been covered herein.
- b. Planning. Director Richert reported that the Committee has requested Manager Sharp to update the District's will-serve capacity documents for a better understanding of the District's remaining capacity and what it has committed to providing. The Capacity Study performed in May 2014 by Bennett Engineering has been placed in Box, under the 2/11/16 Planning Committee folder for reference. The Committee is also working on a new Customer Satisfaction Survey to send out once again in May or June so that the results are ready for the July 4th homeowner weekend.
- c. Operations/Capital Projects. Director Smith reported the Committee is working on comments for the Specific Plan review. Anyone with comments should submit them to Michael Sharp for a consolidated response to TC-TAC by January 31st. Manager Sharp will place this matter on next month's Board meeting agenda for an update.
- d. Personnel. The Committee is currently reviewing retirement plans and options. The General Manager's contract is up at the end of 2016 and will be considered for an extension or contract renewal.

12. GENERAL DISCUSSION

In response to a question from Director Richert, the District's credit card is with the Bank of Omaha, and a payment to PCS is the annual maintenance agreement for the District's accounting and billing software.

13. ADJOURNMENT *(The next Regular Board Meeting is Saturday, February 13, 2016 at 8:00am)*

There being no further business, the meeting was adjourned at 9:50am.



Peter Dornbrook, Board Secretary

Kirkwood Meadows Public Utility District



Sandy McKay, Clerk of the Board
Kirkwood Meadows Public Utility District