



KIRKWOOD MEADOWS  
PUBLIC UTILITY DISTRICT

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, June 11, 2016 – 8:00am**

**BOARD MEETING MINUTES**

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Eric Richert, Vice President  
Peter Dornbrook, Secretary

**BOARD MEMBERS**  
Robert Epstein, President

Standish O'Grady, Treasurer  
Geoffrey Smith, Assistant Secretary

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1. **CALL TO ORDER** *President Epstein*  
Determining a quorum present, President Epstein called the meeting to order at 8:00 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](http://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](mailto:msharp@kmpud.com) and the Board will respond. Members of the public should identify themselves when making comments.
3. **ROLL CALL** *Secretary Dornbrook*  
Board of Directors Present: Directors Epstein, Richert, Smith and Dornbrook.  
Board of Directors Absent: Director O'Grady.  
Staff Present: Manager Sharp, Rick Ansel, Brandi Benson and Kelly McBride.  
Others Present: Community Member Judy Flinn.
4. **COMMENTS FROM THE AUDIENCE**  
None.
5. **CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR**  
None.
6. **ADOPTION OF CONSENT CALENDAR**
  - a. **Regular Board Meeting Minutes: May 14, 2016**  
Approve May 14, 2016 Board Meeting Minutes.
  - b. **Current Consent for Claims**  
Approve current Consent for Claims.
  - c. **Receivables / Shut Offs**  
Review current Receivables/Shut Offs Report.
  - d. **Sanitary Sewer Management Plan**  
Approve audit of Sanitary Sewer Management Plan.

**Moved Epstein / Second Dornbrook / Richert Yes / Smith Yes / Epstein Yes / Dornbrook Yes / O'Grady Absent** to adopt the Consent Calendar as presented.
7. **CONSENT ITEMS BROUGHT FORWARD FOR SEPARATE DISCUSSION / ACTION**  
None.

**8. ITEMS FOR BOARD ACTION****a. Discussion and Possible Action Regarding the District's Financials. *Manager Sharp and Accounting Manager McBride*****Lead: Finance Committee**

Accounting Manager McBride presented the April Financials, May Forecast, and Cash Water Fall reports and answered questions from the Board.

- i. April Financials. Manager McBride reported that April EBITDA showed a positive variance of \$102K, and YTD \$352K.
- ii. May Preliminary Financials. Operating revenue was down from budget by \$115K, and up by \$102K YTD. Metered kWh vs. Budget was down by 71,500 kWh for the month of April due to the early closure of the resort
- iii. Cash Flow.
  1. Cushion of Credit. Manager Sharp stated that the District plans to maintain \$1.3M in the Cushion of Credit account.

The Board requested Staff compare the District's propane cost to that of a delivery to an individual tank.

**b. Discussion and Possible Action Regarding the Formation of the District's 2017-2021 Budget. *Manager Sharp and Accounting Manager McBride*****Lead: Finance Committee**

Manager Sharp presented the fifth iteration of the Budget based on feedback from the Finance Committee and Board, outlining changes made from the last version, including:

- Water/Wastewater/Solid Waste Rate Increases in FY 2018, 4% to 8%;
- Cash Balances updated on Summary Sheets;
- Expanded Cushion of Credit into May 2017 and beyond;
- Added the replacement of a line junction enclosure at Palisades with a vault into Capital Projects;
- Capital Assumptions page has been oriented to landscape mode for consistency;
- Added Outage Allocation, to include PG&E outages;
- Updated the CalPERS Side Fund costs in G&A; and
- Other miscellaneous changes.

After some discussion, the Board directed Staff to work with the Finance Committee to reduce potential Water/Wastewater/Solid Waste rate increases planned for FY 2018 through cost reductions, allocation review, and other means.

**c. Discussion and Possible Approval of Resolution No. 16-02 Approving the District's Five-Year Operating Budget and Capital Plan for the 2017-2021 Period. *Manager Sharp*****Lead: Finance Committee**

Manager Sharp stated that the District has made significant improvements to the Budget over previous versions, and having provided a more detailed presentation to the Finance Committee, is recommending Board approval of the Budget as presented.

**Moved Richert / Second Smith / Epstein Yes / Dornbrook Yes / Richert Yes / Smith Yes / O'Grady Absent** to approve Resolution 16-02 and adopt the District's 5-Year Operating Budget and Capital Plan for FY 2016-2021, mark as Final/Approved, and distribute same.

**d. General Update and Possible Action Regarding Ongoing Issues with PG&E. *Manager Sharp***  
**Lead: PG&E Ad Hoc Committee**

- i. Status Update and Revised Cost Forecast of the Three-Week PG&E Power Outage.  
Manager Sharp presented a proposed letter to PG&E in the Packet, providing PG&E with details of the Outage, pointing out the lack of communication from them, and requesting payment of \$59,000 for labor and diesel expenses incurred after the originally scheduled 3-day outage. A discussion ensued.
- ii. Continued Discussion of Possible Alternatives to the Construction of a Potential Switch Station Project.

Manager Sharp reported that communications with PG&E have resumed and a meeting in San Francisco is being arranged to discuss assessment of the 115 kV overhead line. As the Board is aware, the District is responsible for Cost of Ownership charges from PG&E on improvements they completed to their system supporting the Out Valley project. These charges began accumulating when the District went live on November 1, 2014, but have never been billed by PG&E until recently when the District received an invoice for these charges in the amount of \$232,011. The District has made payment reduced by 20% based on an agreement reached that since some of the improvements replaced existing PG&E equipment, a discount should be applied. PG&E suggested the 20% discount be applied for simplicity. Their recent letter stated that the discount should only apply to a small portion of the entire cost and that it needs to be detailed in a new Interconnection Agreement. The letter also advised that PG&E is working on a counter proposal to the District's October communication.

**e. Discussion and Possible Action Regarding the Impacts Associated with the Use of Grindings on Parking Areas Throughout Kirkwood.** *Manager Sharp*

**Lead: Operations/Capital Committee**

Manager Sharp provided an update on the investigation by the State Water Board and Fish & Wildlife pursuant to Vail Resorts' Notice of Violation regarding their use of asphalt grindings that were inadvertently spread from parking lots into drainage and creek areas by their snow removal operations last winter. Also recently noticed is an area near Red Cliffs Lodge where samples taken indicate minor amounts of ammonia and nitrogen present. Sampling at various areas in Kirkwood have been performed and the lab results are provided in the Board Packet. A meeting of the agencies involved in this investigation, including the State Water Board, Army Corps of Engineers, Fish & Wildlife, and Alpine and Amador Counties is tentatively scheduled during the week of June 20 in the District's offices. The Board requested Manager Sharp continue to keep them updated.

**f. 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 11-month period ending May 31, 2016. Total Electric Line Loss YTD is 18%, with Distribution System Losses of 8%. Water production in May was 396,000 gallons, with 10% YTD unidentified loss. Wastewater unmetered was at 90% for the month of May and 48% YTD.

The Board requested Staff to use the Unidentified System Loss % goals for future reports. Staff will also investigate testing large water meters for accuracy.

**g. Discussion and Possible Action Regarding Improvements Needed to the District's Electric Distribution System.** *Electric/Propane Manager Benson/Manager Sharp*

**Lead: Operations/Capital Committee**

- i. Chair 10 Transformer. This 500 KVA transformer, owned by the District and dedicated solely to running Chair 10, has a history of problems and needs to be upgraded to 750 KVA. Staff publicly noticed a Request for Proposal to purchase a 750 KVA transformer, with bids being accepted through June 13. Staff will present results at the July Board meeting.
- ii. Caples Lake Spill Containment. The 300 KVA transformer that powers the snowmaking pumps needs acceptable spill containment per FERC guidelines. Staff is researching different solutions and will bring back to the Board.
- iii. Faulted Circuit Indicators. Staff provided a detailed plan and cost for installation of Faulted Circuit Indicators (aka Ground Fault Indicators), and is recommending Cooper Power Systems' S.T.A.R. Current Reset Type Faulted Circuit Indicators.

**Moved Richert / Second Dornbrook / Epstein Yes / Smith Yes / Richert Yes / Dornbrook Yes / O'Grady Absent** to purchase up to fifty (50) ground fault indicators at a cost not to exceed \$25,000 over two years.

- iv. Circuit Project. This ongoing project continues to improve Staff's confidence on the layout of the Distribution system and reducing the amount of line loss. Staff will be tracing the wires in each transformer along the Distribution line to check for proper connections and unmetered usage.

- v. Meter Certifications. Staff presented a final proposal from Trimark Associates, Inc. to complete a meter testing and equipment validation project to ensure all wiring and metering equipment is in proper working condition at eight large meters.

**Moved Dornbrook / Second Smith / Epstein Yes / Richert Yes / Dornbrook Yes / Smith Yes / O'Grady Absent** to enter into an agreement with Trimark for meter testing and certifications at an estimated cost of \$17,000.

- h. Update on Recent Actions by the State of California Regarding the Continuing Drought and Discussion and Possible Action Related to the District's Current Stage Two Water Shortage.

*Manager Sharp*

**Lead: Operations/Capital Committee**

Manager Sharp reported that the California State Water Board extended their emergency water conservation regulations through the end of January 2017. Staff is recommending that the District continue with its existing Stage 2 Water Shortage. Staff will work on revising the Water Stage Alert System to reflect the "new normal" in light of the continuing drought.

**Moved Smith / Second Richert / Epstein Yes / Dornbrook Yes / Smith Yes / Richert Yes / O'Grady Absent** to continue with the Stage 2 Water Shortage level per the District's Water Stage Alert System, and inform all customers of the specific restrictions of Stage 2.

- i. Update and Possible Action Regarding the Annual Kirkwood Summer Festival Scheduled for July 2, 2016 and the Various Meetings to be Held that Weekend. *Assistant Manager Ansel*

**Lead: Summer Festival Committee**

Assistant Manager Ansel provided an update of the event, scheduled on Sat., July 2<sup>nd</sup>. Everything is on track. A KMPUD booth, to be manned by a Board member and customer service rep, will be set up for customers to enroll in e-billings and promote other features available.

- j. Presentation and Possible Action on 2016-2017 General Manager Objectives. *Manager Sharp*

**Lead: Personnel Committee**

Manager Sharp reported that the draft 2016-2017 General Manager Objectives (GMOs) have been circulated to Board and Committee members for comment. A new draft reflecting comments received have been presented to the Committees and the Board for possible approval. The Board requested that Item #2 under the GMO's Financial Goals be revised to state: "Revise Rates for the Water, Wastewater, Irrigation, Fire and Solid Waste Departments to achieve the operating results in the 2016-2017 District Budget".

**Moved Richert / Second Smith / Epstein Yes / Dornbrook Yes / Richert Yes / Smith Yes / O'Grady Absent** to approve the 2016-2017 General Manager Objectives as stated.

- k. Presentation and Possible Approval of the Revised Employee Handbook. *Manager Sharp*

**Lead: Personnel Committee**

Manager Sharp provided a redline version of the Employee Handbook, noting changes in the following categories: Attendance and Punctuality, Employee Housing Credit, On-Call, Code of Ethics, Use of District Tools and Equipment, and Concerns, Complaints and Grievances. If approved, Staff will plan to distribute and explain the changes to employees at a Staff lunch on June 16<sup>th</sup>.

**Moved Richert / Second Smith / Epstein Yes / Dornbrook Yes / Richert Yes / Smith Yes / O'Grady Absent** to approve the revised Employee Handbook as presented.

## 9. GENERAL MANAGER REPORT

- a. CPUC Safety Audit. An inspection of District facilities was performed by the California Public Utility Commission's Safety Division earlier this week; all indications are that it went well with only minor issues noted. Staff will report back with an update on the CPUC's role with the District.
- b. Propane Tanks. The propane tanks have been repainted.

- c. CalSTAR Membership. The District is moving forward with a new benefit for its employees and Board members by providing CalSTAR membership. Employees and dependents are now covered for care flights at an annual cost to the District of \$700.
- d. Consumer Confidence Report 2015. This has been distributed and shows the exceptional quality of drinking water in Kirkwood.
- e. County Law Enforcement/Fire Services. A meeting was held at the District on June 10<sup>th</sup> to discuss possible actions including: an increased presence by an Alpine County sheriff in Kirkwood next winter; a resident Public Safety Officer in Kirkwood; and sheriffs responding to fire calls. Re Fire Services, discussions for possible funding mechanisms included Measure M, the KCA Civic Fund, and an Admissions Tax.
- f. Specific Plan 10-Year Review. Staff will continue to update the Planning Committee and Board on any actions taken by TC-TAC in this regard. Staff was requested to ask Vail Resorts if they counted cars during the 2015-16 season and to share results, and also provide an update on any actions taken regarding noxious weed abatement in Kirkwood.
- g. Verizon Cell Tower. Work on extending the existing tower is set to begin, weather permitting.
- h. Electric Vehicle Charging Station. At the Planning Committee's request, Staff will monitor Vail Resort's progress in establishing an Electric Vehicle Charging Station in Kirkwood.

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

- a. Summer Projects. Assistant Manager, Operations Ansel provided a list of both Maintenance and Capital projects planned for this summer.
- b. Kirkwood Fire Ordinance. Staff is initiating research to update the Kirkwood Fire Ordinance.
- c. Fire Department Master Plan. Staff is developing a schedule to perform an update of the Fire Master Plan this calendar year.

**11. STANDING COMMITTEE REPORTS**

- a. Finance. In Chair O'Grady's absence, Director Richert reported that all items have previously been covered.
- b. Planning. Chair Richert reported all items have previously been covered.
- c. Operations/Capital Projects. Chair Dornbrook stated that all topics have been previously discussed.
- d. Information Technology. Chair Epstein requested Staff advertise for IT Committee membership in the Newsletter and on the website.
- e. Personnel. Staff will include a Closed Session at the next Board meeting to discuss Staff evaluations.

**12. GENERAL DISCUSSION**

President Epstein has discussed with Manager Sharp producing an Annual Report for customers to include an evaluation of the last year, any major issues and how the District is responding to those. He also advised that the District will research the possibility of installing GPS trackers on its snow removal equipment and use that data to improve the customer satisfaction rate.

**13. ADJOURNMENT** *(The next Special Board Meeting is Sunday, July 3, 2016 at 8:00am)*

There being no further business, the meeting was adjourned at 10:33am.

  
Peter Dornbrook, Board Secretary  
Kirkwood Meadows Public Utility District

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