



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

**SPECIAL MEETING OF THE BOARD OF DIRECTORS**  
**Sunday, July 3, 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 8:00 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, O'Grady, Smith and Dornbrook.  
Board of Directors Absent: None.  
Staff Present: Manager Sharp, Rick Ansel, Brandi Benson, Kelly McBride, Sandy McKay.  
Others Present: Community Members Judy Flinn, Nancy Trevett, Cheryl Stern, Caroline Scott, Howard Hoffman, Jack Longinotti, and Alpine County Board of Supervisor Terry Woodrow.
4. **COMMENTS FROM THE AUDIENCE**  
Community Member Howard Hoffman requested the Board continue researching the possibility of an Electric Vehicle Charging Station in Kirkwood. President Epstein stated that this topic will be scheduled for discussion at the August or September Board meeting.
5. **CORRECTIONS TO THE AGENDA OR CONSENT CALENDAR**  
Manager Sharp requested to pull Items 6.a and 6.c from the Consent Calendar. President Epstein requested to move Closed Session Agenda Items 8.j and 8.k to follow Agenda Item 12. General Discussion.
6. **ADOPTION OF CONSENT CALENDAR**
  - a. **Regular Board Meeting Minutes: June 11, 2016**  
Approve June 11, 2016 Board Meeting Minutes.
  - b. **Current Consent for Claims**  
Approve current Consent for Claims.
  - c. **Receivables / Shut Offs**  
Review current Receivables/Shut Offs Report.

**Moved O'Grady / Second Dornbrook / Epstein Yes / Smith Yes / Richert Yes / O'Grady Yes / Dornbrook Yes** to adopt Consent Calendar Item 6.b. Current Consent for Claims.

**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 May Financials, June Forecast, and Cash Water Fall reports and answered questions from the Board.

- i. May Financials. Manager McBride reported that May EBITDA showed a positive variance of \$133K, and YTD \$486K.
- ii. June Preliminary Financials. Operating revenue was down from budget by \$26K, and up by \$290K YTD. Based on forecast, the 2015-2016 year-end metered numbers indicate a 15% increase in kWh sales over last year, and a 40% increase in Propane sales, mainly due to a normal snow year.
- iii. Cash Flow. Manager McBride reported that the Cash Flow has not been updated due to the July Board Meeting being scheduled a week earlier than normal.

**b. Discussion and Possible Action Regarding the Update of the Fire Service Master Plan. *Manager Sharp and Assistant Manager, Operations Ansel*****Lead: Finance Committee**

Manager Sharp reported that one of the goals for 2016-2017 is to revise the Fire Service Master Plan which was originally adopted in 1997. When updated, this document will be a useful tool for planning for the future of the Fire Department and will be required to justify funding requests such as grants, assessments, taxes, etc., each requiring a document to reference that defines current and future needs. It should be noted that the fire engines are aging, with the newest one being ten years old and the back-up engine at 30 years old.

Manager Sharp provided a timeline of this project, hoping to finalize a revised Fire Service Master Plan for presentation and approval at the December 9<sup>th</sup> Board meeting this year. The Revised Plan will combine elements of the existing plan with the 2014 Services Capacity Study. The Plan will be completed in segments per the timeline, with regular presentations and input from the Planning Committee, the public and the Board between now and December.

**c. Discussion and Possible Action Regarding the Investigation into Sources of Funding for the Fire Department Including the Establishment of a Mello-Roos Service Tax. *Manager Sharp*****Lead: Finance Committee**

A Mello Roos Service Tax can be implemented to fund capital improvements, and it can also be used to fund public services. The District's General Counsel will be asked to provide a cost estimate to establish a Mello-Roos Service Tax. Staff will continue to research funding options including a Fire Assessment Rate increase from \$.04 to \$.08, an admissions or excise tax (on lift tickets), a civic fee increase or a transient occupancy tax (TOT), and return to the Board with a preferred direction. It was noted that about 70% of the Fire Department's calls are to vehicle accidents on SR88. The Finance Committee recommends the District begin conversations with Vail Resorts, and continue to research options including having an Alpine County Sheriff (or Public Safety Officer) live in Kirkwood during the winter. It was noted that the 2003 Kirkwood Specific Plan calls for a safety officer in Kirkwood. Alpine County Supervisor Terry Woodrow explained that Bear Valley has three PSO's who are certified EMT's and perform fire services as well. One position is paid for by the community via an annual assessment, the other two positions are paid for by the County. President Epstein requested Staff develop an overall plan, looking at various ways to apportion costs to the beneficiaries; i.e., guests of Kirkwood. Staff will investigate whether copies of highway accident reports are available to assist with billing the parties involved in an effort to recoup some of the KVFD's response costs.

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

Manager Sharp reported that District staff and Board President Epstein met with PG&E last week in San Francisco to discuss two issues.

- i. Continued Discussion on the Cost of Ownership Charges on the PG&E Substation Work.  
Currently billed at \$156,000 per year, the District believed a deal had been struck reducing this amount by 20% since existing equipment had been replaced and labor costs had been reduced. PG&E felt that this reduction only pertained to the protection equipment, amounting to a billing reduction of about \$1,000 per year. Staff will revisit this issue with engineers to determine the correct formula.
  - ii. Continued Discussion of Possible Alternatives to the Construction of a Potential Switch Station Project.  
To eliminate the need for a Switch Station, the District proposed to deed the 115kV line to PG&E if an appropriate value could be reached, as this value determines the Cost of Ownership charge, in perpetuity. The District proposed a maintenance value which would not include the cost of the foundations. PG&E countered with the concept of getting an appraisal for the line, and the District has interviewed two firms to complete this work, the cost of which is estimated at \$20,000 and would be split 50/50 with PG&E. Note the valuation would only be for the 115kV line and not include the impacts or costs associated with the 12kV underbuild, including the size of the foundations, height of the poles, etc. Staff will keep the Board informed on additional information being requested by the appraisers and any continued negotiations. Staff will also contact RW Beck on this issue.
- 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 reported that at a meeting held on June 22 with Vail Resorts, the CA State Water Board, Corps of Engineers, Fish & Wildlife and County reps, an approved short term emergency response plan to contain the grindings was presented and is now in place, and that a long term project to mitigate the effects is in the planning stages. A site assessment is being conducted to identify which properties have been impacted. Anyone who feels their property has been affected by the grindings is asked to contact Kevin Cooper, Public Relations Manager, at [kcooper1@vailresorts.com](mailto:kcooper1@vailresorts.com).
- f. Discussion and Possible Action on the Algae Plume Issue and the Order for Technical Reports Received from the Central Valley Regional Water Quality Control Board.  
*Manager Sharp*  
**Lead: Operations/Capital Committee**  
Manager Sharp reported that on June 30 the District received a revised Order for Technical Reports from the CA State Water Board, based on the District's response clarifying ownership and operation of the ammonia tank located at the former powerhouse site where an algae bloom in a lower drainage ditch was discovered in late May. The District will, however develop a work plan to pressure test the underground ammonia line for leaks between the aboveground ammonia tank and the existing powerhouse.
- g. 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 FYE June 30, 2016. Total Electric Line Loss for this 12-month period was 18%, with Distribution System Losses of 8%. Water production in June was 607,000 gallons, with 27% unidentified loss. Total water production for FYE June 30 was 11.8M gallons. Metered Wastewater in June was 1.69M; unmetered was at 74% for the month of June and 50% for the year.  
Staff will continue work on Circuit Tracking and Meter Certifications, and will also continue research and maintenance on the Collection System as outlined in the Sanitary Sewer Management Plan.
- h. 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 – Discussion, Review and Possible Approval of Proposals Received at the June 17 Bid Opening. Four bids were received to upgrade Chair 10's 500 KVA transformer to a 750 KVA transformer. While some of the bids did not meet specs, the District is recommending to accept Howard Transformers' bid of \$16,922 plus tax and labor. The approved Capital budget for this project is \$20,000.

**Moved O'Grady / Second Epstein / Richert Yes / Dornbrook Yes / Smith Yes / O'Grady Yes / Epstein Yes** to enter into an agreement with Howard Transformers for the purchase of a 750 KVA transformer in the amount of \$16,922.

- ii. Caples Lake Spill Containment. The 300 KVA transformer that powers the snowmaking pumps contains about 186 gallons of oil, and the most economical spill containment is to install a liner that allows snowmelt and water to permeate, but blocks oil and is maintenance free. It is estimated that this would require an area approximately six square feet with a depth of one foot. Staff is working on a final recommendation to present at the next Board meeting.
- iii. Circuit Project. Manager Benson reported that staff is moving to the Lift circuit and will schedule periodic outages in a couple of weeks. Staff will provide regular updates to the Board.
- iv. Meter Certification – Tri-Mark is scheduled to arrive July 11 to begin testing. Exponential Engineering will also be onsite that week testing settings along the transmission and distribution systems. Periodic, brief outages will be scheduled, with affected customers noticed in advance. Staff will continue to provide regular updates to the Board.

- i. **Presentation and Possible Action Regarding the Results from the 2016 Customer Service Satisfaction Survey.** *Manager Sharp and Planning Committee Member Cheryl Stern*  
**Lead: Planning Committee**

Planning Committee member Cheryl Stern presented the results of the 2016 Customer Satisfaction Survey, compared to the 2013 survey, for discussion. Staff has been diligent in responding to individual comments, and will work on Lessons Learned, including timely staffing of snow removal operators, use of the snow removal cell phone, and continue to tell the District story and available services, such as refilling propane tanks, via the Newsletter and website. A list of service providers to Kirkwood will also be made available.

## 9. GENERAL MANAGER REPORT

- a. USFS Out Valley Inspection. A recent inspection with the Forest Service identified six potentially hazardous trees along the overhead section that will be removed under permit. Grass is growing throughout the corridor, and areas where water bars have been installed are working well. Good snowfall last season helped with erosion control.
- b. Caltrans Peddler Hill Maintenance Station. The District received an interconnection request from Caltrans to connect their Peddler Hill Maintenance Station to the Out Valley line. The District advised Caltrans of the California Government Code requirements, PG&E's requirements, and recommended next steps including environmental review.
- c. CPUC Safety Audit. The District received the CPUC's final report from their Electrical Safety Unit on a recent inspection. As anticipated, the findings were minor in nature.
- d. Caltrans Highway 88 Water Intrusion. Caltrans is proceeding to remove a section of Hwy. 88 to determine the cause of water surfacing on the road. District staff and RCI will be present to observe Caltrans while removing two sections of slurry.
- e. Caltrans Ice Box Issue. District staff will be attending Alpine and Amador County Boards of Supervisors meetings to encourage County support regarding the District's efforts to have Caltrans improve the section of Hwy. 88 known as the Icebox for motorists' safety.

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

- a. Kirkwood Summer Festival. The event held yesterday, July 2, was well attended and preliminary figures indicate over \$12,000 was collected in Registration fees, about \$9,000 received in cash donations, and a very successful Silent Auction that raised a record \$13,000. There will be several recap meetings to address comments to improve the event for next year. A look at the last three years of revenue and expense will be provided at the next Board meeting.
- b. Summer Projects. Assistant Manager, Operations Ansel provided a list of both Maintenance and Capital projects planned for this summer.

- c. Death Ride. This annual event is scheduled on July 9; Kirkwood homeowners will again be volunteering their time, manning the finish line at the top of Carson Pass. This is another good fundraiser for the Kirkwood Volunteer Fire Department.

#### 11. STANDING COMMITTEE REPORTS

- a. Finance. Chair O'Grady reported all items have previously been covered.
- b. Planning. Chair Richert requested that Stefan Zier be invited to attend the next Planning Committee meeting in August to discuss an Electric Vehicle (EV) charging station in Kirkwood.
- c. Operations/Capital Projects. Chair Dornbrook stated that all topics have been previously discussed.
- d. Information Technology. Chair Epstein reported that recruitment of a community member has begun by posting the vacancy in the Newsletter and on the website.
- e. Personnel. Closed Session to immediately follow adjournment to discuss Staff evaluations.

#### 12. GENERAL DISCUSSION

None.

The Board adjourned to Closed Session at 10:15am.

- 8.j. **CLOSED SESSION** for (1) public employee performance evaluation of all District staff positions pursuant to Government Code section 54957(b), and (2) conference with District designated labor negotiator Manager Sharp regarding all District staff positions (except the General Manager) pursuant to Government Code section 54957.6(a).
- 8.k. Discussion and Possible Action Regarding the Duties, Positions and Compensation for all District Staff Employees.

#### 13. OPEN SESSION

President Epstein reconvened the Open Session portion of the meeting at 10:50am, stating that the Board had met in Closed Session and discussed performance evaluations of all District staff positions. The General Manager was authorized to increase Staff compensation in a total amount of \$40,207 allocated at his discretion. The Board also approved a fiscal year-end bonus for the General Manager in the amount of \$6,000. Staff increases are effective July 1.

President Epstein presented Assistant Manager, Operations Rick Ansel with a framed plaque to acknowledge his 10-year anniversary with the District and the important role he serves. President Epstein was also pleased to announce the promotion of Rick Ansel to Assistant General Manager.

- 14. **ADJOURNMENT** (*The next Regular Board Meeting is Saturday, August 13, 2016 at 8:00am*)  
There being no further business, the meeting was adjourned at 11:00am.



Peter Dornbrook, Board Secretary  
Kirkwood Meadows Public Utility District



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