



KIRKWOOD MEADOWS PUBLIC UTILITY DISTRICT

ANNUAL REPORT

JULY 1, 2015 – JUNE 30, 2016

P.O. Box 247, 33540 Loop Road
Kirkwood, California 95646
www.kmpud.com

TABLE OF CONTENTS

Letter from the President	2
District Operations	4
Financials	5
Water Operations	8
Wastewater Operations	9
Electric Operations	10
Propane Operations	12
Snow Removal Operations	13
Solid Waste Removal Operations	15
Kirkwood Volunteer Fire Department	16
Other District-Provided Services	18
Staffing	19
Standing Committees	21
Additional Resources	22

To Our Valued Customers:

The Kirkwood Meadows Public Utility District (District) is pleased to provide you with its first Annual Report, a synopsis of the year just passed and important issues the District will be focusing on moving forward. The District operates on a fiscal year basis, and this report covers the period of *July 1, 2015 through June 30, 2016*.

Kirkwood received a total of 429 inches of snowfall for the period November 1st through the end of April, down from the historical average of 500 inches but far better than that received in each of the previous four years. This average snowfall had a dramatic, positive impact on the Resort's skier day visits and a corresponding increase in utility usage.

Each of the District's services showed revenue gains over the last several years, due mainly to this near-average snowfall, and for the first time in its history total District revenue topped the \$9 million mark. Operating expenses were held in check, and net income¹ grew by over \$500,000 as compared to last year's mark. Improvement in net income allowed the District to operate slightly above our intended 'break-even' rather than the loss we experienced in the previous fiscal year.

Thanks to all of you who took the time to respond to the Customer Satisfaction Survey last spring. The survey indicated that District operations functioned well while meeting the increased demands. In this year's survey 93% of the responses rated the District's overall performance as Excellent or Good, up from the 2013 result of 87%. Similarly, 94% of respondents found District staff to be Extremely or Very Helpful as compared to the 2013 mark of 84%. The survey identified areas where you wanted to see improvement, for example, snow removal operations. Extreme weather stressed the Snow Removal department around the 2015 December holiday period. We are increasing early season staffing levels for the 2016-17 winter to address this issue. The complete survey can be viewed at www.kmpud.com/wp-content/uploads/2013/05/Customer-Satisfaction-Survey-Results-2016-FINAL.pdf.

The Out Valley electrical line operated without flaw and we are proud to acknowledge our second ski season with no power outages during lift operations. The Powerhouse again proved its worth by providing the Valley with electric power during a one-week outage last fall due to the Butte Fire, and a three-week PG&E maintenance outage this spring. In a very short period, Kirkwood has gone from the worst to the best in terms of power reliability!

The cost of electric rates remains the number one concern. The fundamental problem is the very high fixed costs spread across a very small customer base. Good weather and the resulting healthy ski season will allow the Board to continue to reduce rates. For 2017, the Board authorized a reduction in Electric Usage rates, from \$0.683 to \$0.67 per kilowatt hour. The plan is to continue to reduce the usage rate by \$0.01 per kilowatt hour each year.

The Board also took Rate action by modifying the methodology of calculating Base Rates for the Electric and Propane departments to a more fair and equitable policy.

The District is still in negotiations with PG&E to resolve the issue of liability associated with the 115kV line. PG&E feels we need to establish a point of interconnection (switch station) at Salt Springs to limit their

¹ Including all interest, taxes, depreciation and amortization expenses, but excluding application of GASB 68.

liability issues on the 15kV line. The District is looking at alternatives to avoid installing this expensive equipment.

Vail Resorts continues to remove asphalt grindings (defined as processed pavement materials containing a mixture of petroleum-derived asphalt, gravel and sand) from areas adjacent to their parking lots. During last winter's snow removal operations, grindings were blown off the parking lots and into stream zones. According to the regulatory agencies monitoring this effort, Vail Resorts has been very responsive in their cleanup efforts, with over 700 cubic yards of grindings removed to date. They are working with an ecologist to prepare a site restoration plan that will include continued monitoring and sampling. The final step will be for the resort to develop a snow removal and storage plan to ensure that the existing and any future parking lot grindings remain in place.

The District relies on five Standing Committees established by the Board of Directors (Finance, Operations, Planning, IT and Personnel) to help guide its operations and make strategic recommendations. The IT and Operations Committees currently have openings for Community Members with expertise and interest in either of these areas. Community participation and input is a vital component to the performance and results achieved from the District's Committees and we are actively seeking Kirkwood residents, landowners and ratepayers to provide perspective and expertise otherwise not readily available to the Board. The District encourages your participation. Much more information on the Standing Committees can be found at www.kmpud.com.

The District continued to make improvements and add features to its Website, particularly the Member Services section. In the coming year, we will enable customers to make snow removal requests over their mobile device and receive automatic notification of completion. If you haven't done so already, we highly recommend you sign up at www.kmpud.com/register as an account holder where you will be able to access your monthly billings, current meter info, receive emergency notifications, newsletters and agendas, and be part of and access the Kirkwood Directory.

Overall, the District had a sound financial and operational year. Many issues remain, but we feel we are on a solid path in continuing to provide reliable services while focusing on lowering rates and finalizing the Out Valley project.

Following are details regarding the subjects touched on above, and many others.

Please don't hesitate to contact the Board or our General Manager, Michael Sharp at msharp@kmpud.com for further details.

Sincerely,



Bob Epstein
President

Kirkwood Meadows Public Utility District Board of Directors

Bob Epstein, President - bepstein@kmpud.com
Eric Richert, Vice President - erichert@kmpud.com
Standish O'Grady, Treasurer - sogrady@kmpud.com
Peter Dornbrook, Secretary - pdornbrook@kmpud.com
Geoff Smith, Assistant Secretary - gsmith@kmpud.com

DISTRICT OPERATIONS

The Kirkwood Meadows Public Utility District (District) was formed in June 1985 as a public municipal corporation under the California Public Utilities Code, after detachment from the El Dorado Irrigation District. The District's service area encompasses 1.875 square miles and includes approximately 239 single family homes and 475 multifamily residential units, in addition to commercial facilities owned and operated by the ski resort and others. The 2003 Kirkwood Specific Plan allows for a total of 1,413 residential units at build out covering 732 acres of privately held land.

Since the purchase of Mountain Utilities in 2011, the District provides the following services to the community and commercial enterprises in Kirkwood:

- Electric
- Propane
- Wastewater
- Snow Removal
- Water
- Solid Waste Removal
- Fire Protection
- Employee Housing
- Cable Television Administration
- Mosquito Abatement
- Parks and Recreation Services

Following is an update on the District's Financials and all the services that the District provides.

FINANCIALS

In fiscal year ended (FYE) 2016 total revenues including property tax topped \$9 million for the first time in the history of the District. This good performance can be attributed to a near-average year of snowfall after four years of drought. With good early season snowfall, we saw the highest grossing November on record. Revenues did taper off at the end of the year due to the Resort closing earlier than expected, on April 17, 2016.

Managing operating expenses for FYE 2016 was a focus for the District. Unforeseen expenses related to the Out Valley transmission line included additional labor, diesel and other materials required to operate the Powerhouse during the Butte fire, as well as during PG&E maintenance that was scheduled to take one week, but lasted over three weeks. Solid Waste disposal also saw increased operating expenses due to the amount of snowfall and higher occupancy in the Valley.

The District also began to use its “Cushion of Credit” account related to the RUS FFB (Federal Financing Bank) loans. This account allows the District to make advance deposits for interest and principal payments on our loans while earning 5% on those advance deposits. In June of 2016 we received our first interest payment of over \$16,000. The District’s goal is to keep a balance of \$1.3 million in this account for future payments while maintaining a minimum amount of \$1 million in our regular Operating Account.

The table below is a snapshot of the District’s revenues and expenses for this reporting period compared to the prior year:

	FYE 2016	FYE 2015	Change
Operating Revenues	\$8,213,170	\$6,843,005	\$1,370,165
Operating Expenses	\$6,933,809	\$7,018,471	(\$84,662)
Property Tax Revenue	\$822,061	\$805,908	\$16,153
Non-Operating Revenues	\$260,960	\$25,112	\$235,848
Non-Operating Expenses	\$2,198,808	\$1,441,869	\$756,939
Net Income	\$163,574	(\$786,315)	\$949,889

Operating Revenues are the payments that the District receives for the nine services that it provides to its customers: electricity, propane, wastewater, snow removal, water, solid waste, fire protection, employee housing and cable television. Operating Expenses are the direct expenses (primarily cost of goods sold and salaries & wages) and the General and Administrative overhead expenses for providing these services including depreciation. Non-Operating Revenues include payments for Connection Fees, Investment Income and Contribution Revenues (contribution revenues are infrastructure additions that are deeded to the District from any new developments as well as any donated equipment) received by the District. Non-Operating Expenses consist of Interest and Amortization expenses. Non-Operating expenses for FYE 2016 have increased due to repayment of our RUS loans.

The District's audited financial statements² can be found at: <https://www.kmpud.com/wp-content/uploads/2013/04/Kirkwood-Meadows-PUD-2016-Audit.pdf>.

Property Tax

The District receives 20% of the property tax revenue collected in Kirkwood from each of the Counties (Alpine, Amador and El Dorado) to help fund operations. The Board's goal is to have all enterprise funds (Water, Wastewater, Electric and Propane) be primarily funded through service charges. Following is a breakdown of how these property tax revenues were allocated to each department in FY 2015-16:

DEPARTMENT	PROPERTY TAX ALLOCATION
Wastewater	\$426,905
Fire	\$104,360
Water	\$100,000
Electric	\$100,000
Employee Housing	\$41,211
Mosquito Abatement	\$25,000
Parks & Recreation	\$24,585
TOTAL	\$822,061

Connection Fees

Connection fees are fees paid by new development to pay for infrastructure needed to service that development. A "Schedule of Connection Fees and Services" can be found on the District's website at <https://www.kmpud.com/new-development/>.

Rate Study – Electric & Propane

Early in the year, the District began investigating the possibility of modifying the way Electric and Propane Base Rates are calculated. Previously, each Electric and Propane customer paid for one Base Rate (i.e., a flat monthly service charge), which amounted to \$21.25 for Electric and \$5.32 for Propane. Several inequities were noted with this system, namely that each account paid the same Base Rate, no matter how much usage was associated with that account, or how many units were tied in. As an example, a large user paid the same Base Rate as a single-family unit, even though it had a much greater impact on operations. Additionally, some accounts had several units connected to their meter, but still only paid one Base Rate.

A Rate Study and resulting Ordinance approved in July 2016 revised electric and propane service charges so that customers are charged a Base Rate correlating to their average usage over the last three years as compared to the average. If a customer's usage is at or below the average, they continue to pay for one Base Rate. About 90% of our customers fit into this category. If the customer's usage falls above the average, they pay increased Base Rates, calculated to the one decimal point (e.g., 1.1). Due to this change, most electric customers' Base Rates went from \$21.25 per month to \$13.55, while propane Base Rates were held fairly stable at \$5.37. The District does

² The District's audited financials differ from our operating results (including all interest, taxes, depreciation and amortization expenses) due to formatting and to the recently required application of GASB 68: http://www.gasb.org/jsp/GASB/Pronouncement_C/GASBSummaryPage&cid=1176160219492.

not collect any additional electric revenue due to this methodology change, but does receive approximately \$14,000 annually in additional propane revenue that we plan to use to acquire an additional propane tank.

The District's Board also lowered Propane Usage Rates from \$0.0761 to \$0.0645 per cubic foot to account for the reduced fuel costs we have all been experiencing.

Effective July 1, 2016, Electric Usage charges were reduced from \$0.683 per kilowatt hour to \$0.67 per kilowatt hour. The District Budget for the 5-year period of 2017-2021 anticipates the Electric Usage Rate lowering by \$0.01 per kilowatt hour each year for the next five years.

Water and Wastewater Commercial Base Rates are based on usage, so that large users and accounts with multiple units pay Base Rates commensurate with their impact on the operation. One of the goals of the District is to modify the calculation of Water and Wastewater Base Rates to conform with the Electric and Propane Base Rate methodology.

WATER OPERATIONS

Description

The District's domestic water is supplied by four groundwater wells located throughout the Kirkwood Valley, with a combined capacity of 225 gallons per minute or 324,000 gallons per day. The system includes two storage tanks with a capacity of 950,000 gallons, and the distribution system consists of approximately five miles of pipelines ranging from six to ten inches in diameter.

Operations

The District is permitted to operate its water system based on certifications from the California Regional Water Quality Control Board, and issues an annual Consumer Confidence Report with test results from samples taken throughout the Valley to ensure water quality for our customers continues to exceed standards as set forth in the Federal Safe Drinking Water Act.

California Drought Persists

On May 9, 2016 Governor Brown issued Executive Order B-37-16 confirming that drought conditions persist in many parts of the State and directed actions aimed at reducing water waste and improving water use efficiency in the future, extending emergency drought regulations through the end of January 2017. The District revised its Water Stage Alert System this year recognizing that drought conditions may persist beyond 2017, and to better reflect that State's "Make Conservation a California Way of Life" initiative. The most recent 5-year average snowfall, from 2012/13 thru 2015/16 has been approximately 300 inches per year. The District's Water Stage Alert System can be viewed at:

www.kmpud.com/wp-content/uploads/2014/01/Resolution-16-03-and-Ex-A-Water-Stage-Alert-System.pdf

Capital Improvements in FY 2015-16

Due to the drought and budget constraints, there were no capital improvement projects planned for Water Operations in FYE 2015-2016.

Future Water Needs

Total water demand for the District varies from 12 to 15 million gallons per year at the current 50% build-out of the community, or approximately 700 equivalent dwelling units. The Services Capacity Analysis completed in 2014 predicts the District will have a deficit of 217,400 gallons per (peak) day at build out. The District has been exploring the ability to develop additional water sources to augment its supply, including drilling additional wells and obtaining surface water rights from Caples Lake.

The Services Capacity Analysis finds that the District has a current water storage deficit of 161,250 gallons for operational, emergency and fire flow requirements. At build-out, the system will require an additional 553,400 gallons of storage. The District is investigating the installation of an 800,000-gallon water storage tank to meet these needs.

WASTEWATER OPERATIONS

Description

The District's wastewater collection system consists of approximately 8.3 miles of 6-inch gravity-flow wastewater collection lines and approximately 3,600 feet of 8-inch force main sewer lines. Two lift stations transfer the wastewater to the Wastewater Treatment Plant (WWTP), which uses a Membrane Bioreactor (MBR) process to treat and then discharge the wastewater to effluent absorption beds. The MBR process is a relatively recent innovation in wastewater treatment where membrane microfiltration is used to produce a discharge effluent of very high quality. Other advantages of MBRs over conventional processes include a small footprint and easy retrofit to upgrade older wastewater treatment plants.

Operations

The District provides sanitary wastewater collection, treatment and disposal for the community of Kirkwood. The WWTP is regulated by permit under the jurisdiction of the Regional Water Quality Control Board under Waste Discharge Requirements (WDRs) Order No. R5-2007-0125. The WDRs contain monitoring and reporting requirements, which include quarterly and annual sampling of groundwater at nine locations around the Kirkwood Valley. Because Kirkwood is located in an environmentally sensitive area and the water quality in the area is pristine, the District's waste discharge requirements are some of the most stringent in the State. Additionally, the District is also required to prepare, submit and implement a Sanitary Sewer Management Plan (SSMP) to describe the maintenance and repair efforts to our Collection System.

Capital Improvements in FY 2015-16

Due to the drought and budget constraints, there were no capital improvement projects planned for Wastewater Operations in FYE 2015-2016.

Looking ahead, during the 2016-2017 fiscal year the District plans to begin work on Infiltration, which is storm water entering the wastewater collection system. This will involve cleaning lines in the fall, televising lines each spring, and then completing repair and replacements over the summer.

Future Wastewater Needs

The 2014 Service Capacity Analysis identified the following capital improvement needs to meet build-out flows:

- Flow Equalization Storage - 540,000 gallons
- Aeration Blowers for Secondary Treatment Process
- Effluent Disposal Pump
- SCADA (Supervisory Control & Data Acquisition) Upgrade and Integration

These improvements are all 5 years or more from being needed, except the SCADA upgrades will ideally be implemented sooner.

ELECTRIC OPERATIONS

Distribution (In Valley)

Description

The Kirkwood In Valley electric system was acquired from Mountain Utilities in 2011 and includes 170 transformers, six circuit routing switches, 37 underground electric vaults, approximately 11.5 miles of underground circuits, and 13 aboveground line junction enclosures.

Operations

The District is inspected regularly by the CPUC (California Public Utilities Commission) Safety Unit and conforms to the provisions found in General Order 165. The District's most recent inspection occurred during the 2016 summer, where only minor infractions were noted.

Capital Improvements

The District is in the second year of the Circuit Project to trace and map out the District's main circuit lines, and make repairs as needed.

Future Needs

The District plans to install a new 750-kVa transformer at Chair 10 prior to the start of the 2016-17 ski season to help with its operation during heavy load days. The District will also be installing fault indicators at critical points of the Distribution line in summer/fall of 2016 which will help identify the locations in the event of line faults.

Other near term projects are the installation of a vault at the intersection of Palisades Drive and the Timber Ridge parking area, and rerouting of a distribution line at the intersection of Dangberg Road and Fremont Road.

Generation (Powerhouse)

Description

The District constructed and operates a 5-megawatt standby Powerhouse for use when the Out Valley electric line is down, which occurred twice for extended periods during the past year. First, during the Butte fire, the Powerhouse was needed for a period of seven days, while many of our neighbors in Amador County were without electric power. A PG&E maintenance outage required that the Powerhouse be in operation for a period of three weeks later in the year. The Powerhouse is equipped with three 950-kilowatt CAT generators and five 430-kilowatt Volvo generators.

Operations

The Powerhouse operates under permit with the Great Basin Air Pollution Control District and is required to complete regular testing and reporting to maintain good standing. A cylinder gas audit, which certifies that our emissions control equipment is working properly, is scheduled for late October 2016.

Capital Improvements

The District is considering installing a roof over the Powerhouse radiators to mitigate snow buildup in this area. The District has installed a temporary enclosure with good results in the short term.

Transmission (Out Valley)

Description

The District officially began providing its customers with power supplied from the Western electric grid on November 1, 2014 after completing construction of two substations, 25 miles of underground power line and over 3 miles of overhead line, connecting to PG&E facilities at Salt Springs Reservoir.

Operations

Most of the District's Out Valley Power line is on United States Forest Service (USFS) Property and the District operates under a Special Use Permit. An annual Work Plan is developed and approved by the USFS which details the necessary operations and maintenance proposed by the District. Approximately 7 miles of the underground portion of the line is in the Caltrans Highway 88 Right of Way and falls under an Encroachment Permit. The District performs monthly inspections of the Out Valley line to ensure we protect the community's investment, including invasive weed inspections, erosion control and needed tree removal.

Capital Improvements

There are two outstanding issues remaining with the Out Valley Electric Line Project. Both are issues we have with Pacific Gas and Electric (PG&E). The first is a dispute over how much of the costs incurred to upgrade PG&E's two substations were for new equipment, and how much was used to replace existing equipment. The District contends that a certain percentage of the cost was used to replace and upgrade equipment that was in use prior to the project, and that the District should not be charged for associated maintenance costs. Both parties' engineers will be meeting to come up with an equitable solution.

The second issue involves establishing where PG&E's responsibility ends and where the District's begins, which is currently located at Salt Springs Reservoir, and is known as the Point of Interconnection. PG&E does not want liability associated with any portion of our line, which is our current situation with the 115kV line. One solution, which the District is trying to avoid, is for the District to build a Switch Station at Salt Springs, establishing a clear Point of Interconnection. The cost for this switch station is estimated at \$3.3 million. Another solution is for the District to deed the 115Kv line to PG&E provided a reasonable value can be agreed upon. PG&E and the District are in the process of having appraisals done on this 115kV line so that a reasonable value can be established. The likely worst case financial assumptions are included in our 5-year budget model.

PROPANE OPERATIONS

Description

The District's propane assets include approximately 5 miles of underground distribution lines ranging in diameter from 2-6 inches and are located throughout the Kirkwood Valley. Propane assets include two storage tanks (one 20,000-gallon and one 30,000-gallon capacity), all of the underground piping and associated valves, propane meters and numerous other miscellaneous tools and equipment required to operate the Propane Enterprise and to transport propane to customers.

Operations

The District is regularly inspected by the CPUC (California Public Utilities Commission) Safety Unit. Their last inspection was completed on September 11, 2013 and they had the following findings:

- Update the Key Valve List
- Implement a Public Awareness Program
- Evaluate cathodic protection at the propane tanks

These items have all been satisfactorily addressed.

Capital Improvements

The two storage tanks received a fresh coat of paint during the year. The District is also in the process of changing out 10% of the propane meters (43) in the Valley, and will continue with this annually until completed.

Future Needs

An additional 30,000-gallon storage tank is planned for installation in 2018. A roof for the Vaporizer Shed is planned for 2017, and a security fence for the propane storage and fill area is budgeted for 2018.

SNOW REMOVAL OPERATIONS

Description

The District has been performing Snow Removal services for various Homeowner Associations and private homeowners for the past 13 years. During the 2015-2016 winter season the District removed snow for 22 Homeowner Associations and 65 private homeowners.

After four years of below average snowfall, the 429 inches received during the 2015-2016 year was a welcome relief. December's 130 inches of snowfall came primarily during four storms on December 10th, 13th, 21st and 24th. The December 21st storm was 36 inches of very wet, heavy snow, which was very challenging to remove. Caltrans, the Resort and the District all were stretched to the limit, as many of you can attest who had to drive in these conditions. The storm on Christmas Eve delivered 25 inches of dry powder which was much easier on the equipment, but strained already stretched resources. Thanks to all of our customers for working with the District during this period and for all of your comments, both positive and negative. The District has budgeted to increase staffing going into the next winter and bring on the additional help for more training and preparations.

Operations

During snow events the District will typically commence services when 3-4 inches of snow accumulates, with the day crew starting at 4:00 AM and working an 8-hour to 12-hour shift depending on staffing and snowfall. During a major snow event the District will operate a night shift to ensure it keeps up with the demand. The District also spreads traction sand to icy roadways when needed.

The District is in the registration process through the CARB (California Air Resources Board) for its commercial fleet of snow removal equipment. The State requires all off-road diesel equipment to be registered with them; the District is in the process of complying with this order.

Capital Improvements

The backbone of the District's Snow Removal equipment is the Trackless snow blower, small enough to handle intricate driveways and powerful enough to take the weight off the sides of the roads. The District has been using Trackless machines for the past 13 years and the fleet has grown to six with the purchase of a new Trackless MT Series 6, Tier 3, which arrived in March, fully outfitted. It went to work almost immediately after several good spring snowstorms.

Future Needs

The District plans to have major improvements completed to the 950 Loader prior to the 2016-17 winter including new tires, chains and engine service. New Trackless machines are budgeted every two years starting in 2018 as our existing fleet continues to age.

District staff has been working on installing GPS devices on all Snow Removal Equipment. These devices are tied into a software package which can identify:

- Where each piece of equipment is in one-minute intervals, with all turns recorded.
- Areas that have been plowed, and length of time to plow each area.
- This system will work in driveways and roadways and help in evaluating contract amounts and efficiency of operations.
- The District is also working on a system where homeowners can electronically ask that their driveway be plowed, and receive automatic notification when it is done.

The District has tested the system to ensure that the GPS signal will work in Kirkwood. During the current fiscal year, 2016-2017, we are working on a system to allow customers under contract to track when their driveway or homeowner's association area is plowed. The data collected will also be used to make sure we are optimizing our resources to help keep costs down and to fairly allocate costs across customers.

SOLID WASTE OPERATIONS

Description

The District provides a central, well maintained Solid Waste Transfer Facility for the collection of solid waste, recyclables and hot ash, located adjacent to the Wastewater Treatment Plant at 40 Loop Road. Additionally, the District manages collection facility dumpsters at a variety of locations in Kirkwood's commercial zone. The ski resort manages its own solid waste collection service via South Tahoe Refuse.

Operations

District staff inspect and maintain all collection facilities daily and coordinate weekly off-site hauling operations with ACES Waste Services (ACES). District staff also conduct routine maintenance and repair of all District collection dumpsters. The District takes an aggressive approach to solid waste management by ensuring that only full dumpsters are emptied, and that the dumpsters are protected from bears and other wildlife by locking them and providing wildlife clips for customers. During snow season, District staff ensures customer access to dumpsters by removing snow from in front of and on top of their access lids.

Capital Improvements

The District recently overhauled all of its dumpsters by thoroughly cleaning them inside and out, painting them, repairing broken latches and wildlife clips, and replacing defective or worn-out wheels.

Future Needs

Solid waste demand is currently being met by the District but it is anticipated that at build-out, more dumpsters and collection facilities will be required. District staff is currently researching this issue and potential sites for development. The District will also need to promote the collection of recyclable material to meet new California laws by 2020.

KIRKWOOD VOLUNTEER FIRE DEPARTMENT

Description

Since 1972 the Kirkwood Volunteer Fire Department (KVFD) has provided life safety services to the Kirkwood community and its visitors, responding to medical calls, structural and wildland fires, search and rescue, hazardous materials spills and vehicle accidents in Kirkwood, as well as covering an area east to Carson Pass and west to Tragedy Springs Road along SR 88. The KVFD also works in partnership with the Eldorado National Forest, Alpine and Amador Counties, and many other agencies to promote fuels reduction and fire safety efforts.

The KVFD is a 501(c)3 nonprofit public benefit corporation and hosts or sponsors several community fundraising events during the year. The two major annual fundraisers to benefit the fire department are the Kirkwood Summer Festival and the Labor Day 5K/10K/Kid's Fun Run. The Kirkwood Summer Festival, held over the fourth of July weekend, is the Fire Department's signature event that draws homeowners and visitors alike to enjoy an afternoon of wine and beer tasting, live music, and a very popular and successful silent auction organized by community members. The 2016 Summer Festival raised almost \$36,000 which has been allocated to purchase new protective clothing for the volunteer firefighters, and to hire a seasonal firefighter during the busy winter months. KVFD also supports and receives a donation from Alpine County's annual Tour of the California Alps/Death Ride and the Kirkwood Community Association's (KCA's) Labor Day Thin-Air Chili Cook-Off.

Operations

The Fire Department's volunteers report to the General Manager with an established command structure. The KVFD Chief, Assistant Chief and Captain train and direct volunteer members in all fire department and Emergency Medical Service (EMS) activities. During this report period, there were eight active volunteer firefighters who responded to calls with various firefighting and EMS skills.

The Fire Department's existing apparatus consists of two Type 1 pumpers, (E-93 and E-193) both capable of delivering 1,250 gallons per minute of water. E-93 is the front-line apparatus and is now 10 years old and remains in very good condition. The E-193 is the reserve apparatus and is now 30 years old and still in good condition. The KVFD also has several other utility type vehicles that it uses with other District departments daily.

Capital Improvements

Due to the drought and budget constraints there were no capital improvement projects planned for the Fire Department in FYE 2015-2016.

Future Needs/Fire Service Master Plan

The Fire Service Master Plan that was created in 1997 is currently being updated and will be used as the foundation for determining future operations, staffing, equipment and funding needs of the KVFD. A draft of the Plan is anticipated to be complete and available for public comment in January 2017.

For Winter 2016/17 the Board approved hiring a seasonal part-time firefighter to help support KVFD during peak call volume periods – Fridays, Saturdays, Sundays and Holidays.

Funding

The District has begun drafting a 2016 Preliminary Funding Research Report in conjunction with updating the 1997 Fire Service Master Plan, with the short-term goal to provide funding for one additional staff member for the position of Fire Department Operator during the 2016/17 winter season. The long-term goal for this project is to provide a stable, long term source of funding to meet the additional needs of the Fire Department through build-out, as determined in the revised Fire Service Master Plan. Funding options to be addressed in this Preliminary Funding Research Report may include a local sales tax, excise tax, or a Mello Roos service fee.

The District is formulating a proposal to Alpine County to station a sheriff in Kirkwood, ideally a safety officer who could also respond to fire calls for the winter season, with Vail Resorts and the KCA agreeing to provide housing and office space respectively.

OTHER SERVICES PROVIDED BY THE DISTRICT

In addition to supplying Water, Wastewater, Electric, Propane, Snow Removal, Solid Waste, and Fire Protection services (via the Kirkwood Volunteer Fire Department), the District provides four other lesser known services:

Mosquito Abatement

In cooperation with the California Department of Public Health's Vector Control Division, the District is authorized to apply an ecologically sensitive larvicide during the relatively short period between spring and early summer before standing water in Kirkwood evaporates.

Cable Television Administration

In accordance with the Digital Infrastructure and Video Competition Act of 2007 (DIVCA), the District is authorized to collect a state franchise fee from Volcano Vision in the amount of 5% of its gross revenues that are derived from the operation and exercise of its franchise within the District's service area. These funds are used to support the Public Television Station, Channel 19. The District is also tasked to monitor the reception quality and customer service support provided by Volcano Vision.

Parks and Recreation Services

A small portion of property tax receipts are allocated to maintain the playground, picnic tables and barbeque as a community service.

Employee Housing

The District provides an 8-unit building with 12 bedrooms known as Lava Rock Lodge to house employees critical to the 24/7 operations of the District.

More information on any of these services can be found at the District's website, www.kmpud.com.

STAFFING

Current Levels

The District has 18 full time staff members, and up to six seasonal employees depending on snowfall/business levels. The District is proud of its employee retention, and promotes a wellness initiative, ergonomics and other incentives and programs to help maintain a healthy working environment. You can read about our staff at www.kmpud.com/about/staff/.

Training

All fulltime employees are participating in communications training in early FYE 2017, and are encouraged to seek out training opportunities that will benefit both the District and promote personal growth from within. This training also provides a sound basis for succession planning for the District's management staff.

Succession Planning and Manager Training

The District's Board has successfully extended the current General Manager's contract for a period of three years. The District is planning to contract with a consultant to provide training sessions for its five managers, entitled Essential Skills for Effective Management, scheduled to begin in early FYE 2017. Other staff training courses that were either completed in this reporting period or planned in FYE 2017 follows:

Fiscal Year 2015-2016

In Fiscal Year 2015/2016, the Wastewater Treatment Plant led the way in learning. Derek Dornbrook passed his Grade T2 Water Treatment Operators exam and his Grade 3 Water Distribution Operators Exam, and Shawn Trevett passed his Grade D2 Water Distribution Operators exam.

In the main office Kathy Beyer took an Office Ergonomics class through JPIA. Kathy then held an Ergonomics training session with all office staff attending. Kimberly Norton completed CalPERS Courses 101 - Health Enrollment Basics, Course 103 - Retirement Enrollment and Course 204 - Submitting Payroll Corrections with Adjustments. Kim also completed a Moss Adams class regarding Employee Issued Tax Consequences on Fringe Benefits. Amie Pfeiffer completed an Excel training class in Sacramento.

Fiscal Year 2016-2017

Fiscal Year 2016/2017 started off with a run of training opportunities. It started with PCS, the District's accounting software suppliers, coming to the office on July 12 - 13, 2016 to teach Billing. The following employees attended: Jessica Austin, Kathy Beyer, Kelly McBride and Amie Pfeiffer.

Exponential Engineering came up to our office in July 2016 to provide training on Electrical Distribution and Transmission Safety. The following employees attended: Brandi Benson, Ed Benson, Steve Neff, Joe Pellerin, Sean Kennedy and David Waddle.

Effective Workplace Communication training through JPIA with Dr. Marilyn Irvine occurred on September 14 for the entire staff. The Communication training was broken into three sections, first with the employees, then the managers, then everyone learned to Work as a Team.

Keeping the current momentum going, the following courses have either been completed or are anticipated:

At the end of September, All Equipment Services will teach a class in Trackless Repair. Ed Benson, Dan Fine, Steve Neff, Joe Pellerin, David Waddle and Greg Wallace will attend.

October 3 & 4, 2016 – Brandi and Ed Benson will attend the Utility Fault Location training in Alabama.

October 14, 2016 – Dr. Irvine will be back to teach Essential Skills for Effective Management. The following managers will be attending: Rick Ansel, Brandi Benson, Derek Dornbrook, Kelly McBride, Steve Neff, Joe Pellerin, David Waddle.

November 29, 2016 – Scott Wood from JPIA will teach the entire staff Defensive Driving and Fall Protection.

December 13, 2016 – Scott Wood from JPIA will come back to teach Drug and Alcohol Reasonable Suspicion to the following managers: Rick Ansel, Brandi Benson, Derek Dornbrook, Kelly McBride, Steve Neff, Joe Pellerin, David Waddle.

We also currently have the following employees preparing for tests:

Ed Benson – Line Work Certification – Level 3

Derek Dornbrook – Grade V Wastewater Treatment Plant Operator

Steve Neff – Line Work Certification – Level 2

Kimberly Norton – RUS Book of Accounts

Joe Pellerin – Grade I Wastewater

Shawn Trevett – Grade I Water Treatment and Grade 2 Wastewater

STANDING COMMITTEES

Finance Committee

Chair – Standish O’Grady

Members – Eric Richert, Mark Duvall, Allan Sapp, Nancy Trevett, Jack Longinotti.

Current Agenda Topics:

- District’s Financials
- Cushion of Credit
- Audit
- Accumulated Depreciation
- Property Tax Allocation
- Water and Wastewater Rates
- Snow Removal Financial Performance
- CalPERS Side Fund Liability
- Funding Sources for the District’s Fire Department

Operations Committee

Chair – Peter Dornbrook

Members – Geoff Smith, Caroline Scott, Howard Hoffman, (1) Vacancy/Community Member.

Current Agenda Topics:

- Electric Distribution System Improvements
- Snow Removal Contracts
- Impacts of Grindings on Parking Lots
- Algae Plume Issue
- Caltrans Hwy 88 Ice Box Conditions
- Hwy 88 Water Intrusion Near Out-Valley Line
- Water Stage Alert System Revisions
- Performance Reporting
- Wastewater Inflow and Infiltration Issue
- Kirkwood Summer Festival

Planning Committee

Chair – Eric Richert

Members – Geoff Smith, Cheryl Stern, Nate Whaley, Judy Flinn.

Current Agenda Topics:

- Electric Vehicle Charging in Kirkwood
- 10-Year Specific Plan Review
- Street Sweeping
- Law Enforcement/Fire Services Meeting
- 1997 Fire Services Master Plan Revision
- Vail’s Epic Promise/Kirkwood Meadows Drive Landscaping

Personnel Committee

Chair – Bob Epstein

Member – Standish O’Grady

Current Agenda Topics:

- Key Employee Insurance
- Current Staffing Levels
- Measuring Employee Satisfaction
- Training and Certifications/Fire Department
- Succession Planning

IT (Information Technology) Committee

Chair – Bob Epstein

Members – Standish O’Grady, (1) Vacancy/Community Member

Current Agenda Topics:

- Membership
- Security Vulnerabilities and Priorities
- Infrastructure
- Documentation and Recovery

Additional Resources:

For more information about the Kirkwood Meadows Public Utility District, please refer to the following resources:

Audited Financials FY 2015-2016:

<https://www.kmpud.com/wp-content/uploads/2013/04/Kirkwood-Meadows-PUD-2016-Audit.pdf>

5-Year Budget:

<https://www.kmpud.com/wp-content/uploads/2013/04/2017-2021-Final-Budget.pdf>

Board and Committee Meeting Schedule:

<https://www.kmpud.com/community/calendar-of-events/>

On-line Signup for Utility Use Information: <https://www.kmpud.com/register/>